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*“Likelihood of confusion” in the  
judgements of the European  
Courts and in the decisions of the  
OHIM*

Relative grounds for refusal according to Article 8 of the Council  
Regulation (EC) N. 40/94 on the Community Trade Mark

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# Summary

According to the ECJ, the assessment of the likelihood of confusion between two trade marks requires a consideration of numerous elements and, in particular: the degree of similarity between the trade marks and between the goods or services identified; the recognition of the trade mark on the market; the association which can be made with the used or registered sign. Moreover, it is important to underline the fact that there is an interrelation between the similarity of the marks and the similarity of the goods. A lesser degree of similarity between the goods may be counterbalanced by a higher level of similarity between the marks, and *vice versa*, and therefore may still cause risk of confusion. As the average consumer normally perceives a mark as a whole and does not analyse its various details, the global appreciation of the oral, visual and conceptual similarity of the marks in question must be based on the overall impression the marks convey, bearing in mind, in particular, their distinctive and dominant components. Account needs also to be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks, but must place his trust in the imperfect picture of them that he has kept in his mind. Therefore, the likelihood of confusion must be appreciated globally, and all the elements relevant to the facts and the circumstances of the case have to be taken into consideration.

The distinctiveness of the earlier mark plays a crucial role in evaluating whether or not there is risk of confusion: the more distinctive, the greater the probability that the mark at issue will be confused. The distinctive feature of a mark is due either to its intrinsic characteristic or to the reputation it has achieved in the market through use. Marks with a highly distinctive character enjoy a broader protection than marks which are devoid of it. Accordingly, even though the goods/services at issue have a lesser degree of similarity, there may still be likelihood of confusion if the earlier mark is highly distinctive, especially when it has a reputation.

For the assessment of the risk of confusion it has also to be taken into account the kinds of goods involved, since the average consumer's level of attention is likely to vary according to the category of goods or services in question. In doing so it has to be made reference to the consumer prototype which, according to the ECJ's case law on deceptive advertising now equally used in trade mark matters, is a reasonably well informed and reasonably observant and circumspect consumer.

Finally, according to Article 8(5) of the Community Trade Mark Regulation, there is a case in which no similarity of goods and/or services is required; this provision provides a broader protection for trade marks which have a reputation, since their owner has the possibility to oppose the registration of a similar trade mark also in cases in which no similarity of goods and/or services can be established.

# Preface

*I would like to dedicate this thesis to my family and to Emma; both supported and helped me along the way.*

*A special thanks to Professor Hans Henrik Lidgard for the generous sharing of his knowledge and enthusiasm.*

# Abbreviations

BTMA Benelux Trade Mark Act

CFI European Court of First Instance

CTM Community Trade Mark

CTMR Community Trade Mark Regulation

EC European Community

ECJ European Court of Justice

ECR European Community Review

EIPR European Intellectual Property Review

ETMR European Trade Mark Review

EU European Union

IPR Intellectual Property Rights

Para(s) Paragraph(s)

OHIM Office for Harmonization in the Internal Market

OJ Official Journal of the European Community

TRIPs Trade Related Aspects of Intellectual Property Rights

WIPO World Intellectual Property Organization

WTO World Trade Organization

# 1 Introduction

## 1.1 Introducing intellectual property

Intellectual Property Rights (IPR) has grown in a variety of directions over recent years. Its increasing economic significance for industrial developed countries is making it both more international and more complex. One characteristic shared by all types of IPR is that they are essentially negative. They are rights to stop others doing certain things, in other words, to stop pirates, counterfeiters, imitators and even in some cases third parties who have independently reached the same ideas, from exploiting them without the licence of the right-owner.

The three main types of IPR are: patents for inventions, copyright for literary and artistic works and associated products, and trade marks.<sup>1</sup> Patents give temporary protection to technological inventions and design rights to the appearance of mass-produced goods; copyrights gives longer lasting rights in, for instance, literary, artistic and musical creations and trade marks are protected against imitation so long at least as they continue to be employed in trade.

## 1.2 Purpose

Since the risk of confusion between trade marks gives rise to many litigations, there is a need of consistency in the application of the provisions regulating this issue, both for competitors and consumers.

The intention of this thesis, is to analyse how the ECJ, CFI and OHIM proceed in the assessment of similarity between trade marks which lead to likelihood of confusion. I will also investigate whether the principle of “likelihood of confusion” has been applied coherently.

## 1.3 Method

First of all I have studied the decision of the ECJ in relation to cases in which the likelihood of confusion issue was at stake; this was necessary since the European Court of Justice has established, in some famous case, fundamental principles which are now used as a guidance both by the same ECJ in the new cases referred to it, and especially by the Office for the Harmonization in the Internal Market, which is the responsible for the

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<sup>1</sup> William Cornish and David Llewely, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights*, 5<sup>th</sup> edition, Sweet & Maxwell, chapter 1, 2003.

registration of the Community trade mark. Then I have studied decisions of the OHIM Opposition Divisions and Board of Appeals in opposition proceedings, in order to see how the Office is applying those principles stated by the ECJ. In the case where the decision of OHIM have been appealed, I also have analysed the judgments of the Court of First Instance

Finally, in the last part of my work, I have dealt with trade marks which have a reputation, since the issue is strictly related with the likelihood of association.

## **1.4 Delimitations**

In my thesis I refer to Article 8 and not to Article 9 of the Community Trade Mark Regulation, entitled “relative grounds for refusal”, since the focus in this work is on oppositions, upon the owners of earlier trade marks, to the registration of Community Trade Marks. However, references have been made also to the relevant Articles of the Directive, since the most important principles regarding likelihood of confusion and association have been stated by the ECJ in answer to reference for preliminary rulings coming from the Member State’s court.

I have limited the analysis of Article 8 to its first and fifth paragraph.



# 2 Trade Mark

## 2.1 Historical background

Trade mark is a very old concept. Merchants and manufacturers have for centuries been using signs to distinguish their products from those of their competitors. For example, 3.000 years ago, Indian craftsmen carved their signatures on their artistic creation, and over 2000 years ago Chinese craftsmen used to mark their goods before selling them in the Mediterranean area. With the industrial revolution production of goods increased dramatically. Before that, traders generally sold goods which they had produced themselves, for example shoes or dairy products. Following the development of the factory system, shops started to sell a wider range of goods produced by different manufacturers. As a result of the new situation, individual merchants and manufacturers felt more than ever the necessity of using symbols or signs to enable the public to identify their goods.

Since successful products started to be imitated by competitors, a legal protection of trademarks became necessary, both to protect the interests of trade mark owners and to prevent the public from being misled. Therefore, during the 19th century, industrialized countries introduced systems for the registration of trademarks.<sup>2</sup>

## 2.2 Definition and function of trade mark

A trade mark can be described as a sign or symbol placed on, or used in relation to one trader's goods or services to distinguish them from similar goods or services supplied by other traders;<sup>3</sup> a trademark is a word, symbol, slogan or device (design). Until quite recently, the only means of identifying one trader's products from those of another were by words, numbers and devices. It is not like that any longer; nowadays, in order to maintain his market position, a successful trader often has to have, in addition to the traditional word and device marks, packaging with a distinctive design in terms of colour and, if possible, shape, a slogan that appears both with the product and separate from it, and an advertising jingle or tune that, when heard, will immediately bring the product to mind.

A trade mark has a number of functions. Its main function is to distinguish the products or services of one enterprise from products or services of other

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<sup>2</sup> International Bureau of WIPO, *Introduction to Trademark Law & Practice*, 2<sup>nd</sup> edition, WIPO Pub. No. 653(E), 1993.

<sup>3</sup> Tina Hart and Linda Fazzani, *Intellectual Property Law*, 3<sup>rd</sup> edition, Palgrave Macmillan, chapter 8, 2004

enterprises. The trade mark is an indication of the origin of goods to the consumer, in other word it enables the consumer to know which is the particular enterprise that offers the products or services on the market. The trade mark helps the consumer to identify a product or service which was already known to him through advertising. Trademarks are also an indication of the quality of the products or services for which the trademark is used. Therefore, the trademark owner's has an interest in maintaining a consistent quality of his goods or services. Another function of trade marks is to inform the consumer about the products and services available on the market. Therefore, it is important that they are not confusingly similar or deceptive, are not used in false or misleading advertising and do not contribute in any other way to acts of unfair competition.<sup>4</sup>

## 2.3 The beneficiaries of trade mark

Two beneficiaries can be discussed, the trade mark owner and the consumer. Through a trade mark registration, the trade mark owner is allowed to stop competitors reproducing his products or using the same or a confusingly similar trade mark on their own products. With a trade mark a trader can protect the reputation of his goods or services and the goodwill which attracts customers to choose him instead of other undertakings. Trade mark owners can usually rely on the law to collect damages deriving from the unlawful use of their trade marks and to secure the destruction of any infringing goods.

The position of the consumer in the trade mark law is a matter of debate. Consumers are both the beneficiaries of trade marks and its victims; an example of the latter situation is in case of counterfeiting. Trade marks are useful to the consumer since they allow him to easily identify the products which has previously given him satisfaction, thus leading to repeat purchases.

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<sup>4</sup> International Bureau of WIPO, *Introduction to Trademark Law & Practice*, 2<sup>nd</sup> edition, WIPO Pub. No. 653(E), 1993.

# 3 International legal sources

## 3.1 International agreements

Intellectual Property Rights are, prevalently, national rights. Unlike copyright, a trade mark, once registered, offers protection against unauthorised use by third parties within the country of registration, since there is no automatic extension of a national trade mark to other countries. There is much variation in trade mark law and registration throughout the world. Most countries use the International Classification of Goods and Services, but some still do not use a classification system at all. However, a number of international agreements, such as the Paris Convention, the Madrid Agreement and the Madrid Protocol, provide for the international recognition of national trade marks. There is also a Community trade mark system that creates a trade mark that gives rights throughout the European Community (EC).<sup>5</sup>

### 3.1.1 The Paris Convention

The purpose of the Paris Convention of 1883 was to create interaction and recognition between IPRs in various countries. According to the Convention, it is possible to apply for a trademark in one member country and then, within six months, file subsequent applications in other member countries and claim the priority date. The later registrations will then receive the registration date of the first registration. This can be a great benefit if in the mean time someone else had filed for the same trademark in those other countries.

Furthermore, trademarks registered in the country of origin shall be accepted for filing and protected as in the other member countries. There are some exceptions: the trademark office of another country may refuse the registration when the trademark infringes rights acquired by third parties in the country, when the trademark is devoid of any distinctive character, or when the trademark is contrary to morality or public order or may deceive the public (Art. 6quinquies b).

Another important provision of the Paris Convention which deals with trade marks is Article 6bis, which gives international protection to well-known trade marks. Ownership of well-known trade mark can prevent a third party from applying to register the same or a very similar mark in any other Convention country and allows cancellation of an existing registration

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<sup>5</sup> Nigel A Eastaway, Richard J Gallafent, Victor A F Daupe, *Intellectual Property Law and Taxation*, 6<sup>th</sup> edition, Sweet & Maxwell Ltd, chapter 4, 2004.

during the first five years after registration. If the registration of the other mark was done in bad faith, there is no restriction on the time in which the holder of the famous mark can request cancellation. The Paris Convention gives no definition of the phrase well-known and therefore countries of the Paris Convention have defined this concept in their case law.<sup>6</sup>

### **3.1.2 The Madrid Agreement and the “Protocol”**

An international trade mark system that has existed for several decades is the Madrid Agreement. It was created in 1891 and was implemented to simplify the procedure for filing trade mark registration in several countries. Before that, to obtain a trade mark registrations it was necessary to file separate applications with different national trade mark registries. The Madrid Agreement provides a system where, having secured registration in the original home country, one can file a single international application with the central authority, WIPO (The World Intellectual Property Organisation) in Geneva. The international bureau of WIPO then makes the registration and passes it on to all the designated member countries of the Madrid Agreement. Once an international application has been filed by WIPO at each designated national registry, each registry has 12 months within which it can raise an objection. If no objection is raised in that period, the application will automatically be registered. The international registration can be annulled if the original national registration is refused, annulled or dropped in the first five year after the first registration date. This system worked well for several decades, but had certain technical drawbacks which prevented some countries to join it. These problems were addressed at inter-governmental level, and this resulted in the creation of the Madrid Protocol, adopted in 1989, which has the purpose to make the Madrid Agreement system more attractive.

The structure of the Madrid Protocol and the Madrid Agreement are basically similar. One of the advantages of the Protocol over the Madrid Agreement is that anyone with a pending application in a Protocol country has the possibility of filing immediately a Protocol application with WIPO to extend the protection to designated Protocol countries.

Another difference is that each country can extend the examination period to 18 months. On 21 June 2004 the European Union submitted its instrument of accession to the Madrid Protocol on the international registration of trademarks. The accession entered into force on 1 October 2004. In practical terms, the accession establishes a link between the Community trademark system and the international registration system under the Madrid Protocol, meaning that as from 1 October 2004, Community trademark holders and

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<sup>6</sup> Tina Hart and Linda Fazzani, *Intellectual Property Law*, 3<sup>rd</sup> edition, Palgrave Macmillan, chapter 13, 2004.

applicants will be able to apply for international protection of their trademarks based on their Community trademark rights.

### **3.1.3 TRIPs Agreement**

The 1994 Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) establishes requirements for trade mark registration and protection similar to those found in the legislation of the European Union. The Articles of the TRIPs which deal with trade marks are in Section 2, from 15-21.

### **3.1.4 The Nice Agreement**

The Nice Agreement from 1957 concerns the International Classification of Goods and Services for the purpose of the Registration of Marks. It is not a trademark treaty like the other treaties mentioned above, but provides an internationally accepted definition of the various types of goods and services for which one might want to obtain trademarks. In a trademark application the applicant must indicate for which goods or services protection is desired. By referring to the class numbers as defined in the Nice agreement, it is clear to everybody what are the goods/services the trademark is protecting. The Nice Agreement defines 34 main classes for goods and 11 classes for services. They may be accompanied by explanatory notes which describe in greater details the type of product or service for which protection is desired. There is also an alphabetical list of goods and services, which comprises about 10,000 indications referring to goods and 1,000 indications referring to services.

## **3.2 European trade mark law**

Trademarks have since long been protected in Europe, mostly by registration. The territorial nature of trade mark rights conflicted with the fundamental principle of free movement of goods and services in the Common Market. Through the Directive<sup>7</sup> and the Community Trade Mark Regulation<sup>8</sup> (CTMR), the focus of trade mark law has been shifted from the national to the European arena. The Directive was adopted to eliminate disparities between the Member States, approximating their trade mark

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<sup>7</sup> First Council Dir. 89/104 to approximate the laws of the Member States relating to trade marks [1989] O.J. L40/1, corr. O.J. L159/60.

<sup>8</sup> Council Reg. No.40/94 on the Community Trade Mark, [1994] O.J. L 11/1 [1995] O.J. O.H.I.M. 50; [1995] O.J. O.H.I.M. 511.

laws. The Community Trade Mark Regulation, provides for a Community-wide trade mark, in order to achieve a better functioning of the single market.

### **3.2.1 The Directive**

The Council Directive is aimed to secure that the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all the Member States.<sup>9</sup> The Directive contains both mandatory and optional provisions. The mandatory provisions relate to those features which are perceived as those which most directly affect the functioning of the internal market. By contrast the optional provisions are those which would bring the national laws of Member States broadly into line with the equivalent features of the Community Trade Mark.

### **3.2.2 The Regulation**

In 1993, the European Council issued the Community Trade Mark Regulation, five years after enacting the European Harmonisation Directive on trade mark law. The CTMR came into force in 1994. The Regulation has immediate effect within the 25 Member States. The principle of the unitary right is most prominently displayed in Article 1(2) of the CTMR, which states that the Community trade mark (CTM) shall have the same effect for the whole territory.

A CTM can only be obtained by registration as clearly stated in Article 6. It is not possible to obtain trade mark protection through use or by acquiring a reputation in a trade mark. Unregistered rights will, however, continue to be granted protection through national legislation where applicable.<sup>10</sup> The Regulation established the Office for Harmonisation in the Internal Market (OHIM, The Office) as the body which is responsible for registering and administering Community trade marks.

## **3.3 The Community Trade Mark**

The CTM was specifically created in order to overcome the barrier of territoriality on the rights conferred on proprietors of trade marks and to permit unrestricted economic activity in the entire Common Market.<sup>11</sup> It

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<sup>9</sup> Terence Prime, *European Intellectual Property Law*, Ashgate and Dartmouth Publishing Company Ltd., chapter 4, 2000.

<sup>10</sup> Isabel M. Davies, *European Trade Mark Litigation Handbook*, Sweet & Maxwell, chapter 2, 1998.

<sup>11</sup> 3<sup>rd</sup> Recital of the Reg.

was therefore necessary to create a unitary right which would enjoy the same protection and be governed by the same principles throughout the Common Market.<sup>12</sup> The Commission set out the purposes for which a Community Trade Mark should be introduced in its Memorandum on the Creation of an EEC trade Mark in 1976. A Community Trademark is valid in the European Community (EC) as a whole and it has equal effect throughout the Community. It may not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Community (Art. 1). Everyone is still free to apply for national trademarks instead of Community trade mark. The same mark can be registered under both CTM and national law. The CTM system operates very differently from either the Madrid Agreement or the Madrid Protocol. It is more like the national systems. That means filing one application for one trade mark at one trade mark registry to obtain one registration under one set of laws and procedures. The only real difference is that the area covered by the registration is a collection of countries, the European Union (EU), rather than one country.

### **3.3.1 The Community Trade Mark Office**

An application for a community trade mark can be filed directly with the OHIM in Alicante, Spain, or at the national trade mark office in any EC country which will pass the application to the OHIM. The Office has been accepting CTM applications since 1996. An application for a community trade mark can be filled in any of the official languages of the community. The Office works in English, French, German, Italian and Spanish. An applicant must indicate a second language of one of the five languages of the Office. Opposition and cancellation proceedings must be in one of the working languages. The Office must keep a register of Community trade marks which is open to public inspection. A file becomes open to public inspection on formal publication of the application, although an applicant can consent to earlier availability for inspection if he chooses. Proceedings before OHIM are governed by the Implementing Regulation<sup>13</sup> which was enacted by the European Commission in 1995, based on Article 140 of the CTMR. For procedures before the Boards of Appeal, special rules are laid down in the Commission Regulation 216/94.<sup>14</sup> Additional procedural provisions are contained in various decisions of the President of OHIM which are regularly published in its Official Journal.<sup>15</sup> The office has the

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<sup>12</sup> Isabel M. Davies, *European Trade Mark Litigation Handbook*, Sweet & Maxwell, chapter 2, 1998.

<sup>13</sup> Reg 2868/95 implementing Council Reg. 40/94 on the CTM, O.J. L303/1, [1995].

<sup>14</sup> Commission Reg. 2869/95 on the fees payable to the OHIM (Trade Marks and Designs), O.J. L303/33 [1995] O.J. O.H.I.M. 415.

<sup>15</sup> Isabel M. Davies, *European Trade Mark Litigation Handbook*, Sweet & Maxwell, 1998.

responsibility to undertake the publication of a Community Trade Marks Bulletin periodically.

### 3.3.2 Registrability

A Community trade mark can only be obtained by registration (art6). According to article 5(1) of the CTMR, the proprietor of a Community trade mark must either be a national of one of the 25 EU Member States (article 5.1a) or of any state which is party to the Paris Convention or the WTO Agreement (article 5.1b) or have a domicile, seat or real and effective establishment in any of these states (article 5.1c). Failing this, a declaration of reciprocity must have been issued with respect to the country of which the applicant is a national (article 5.1d). A famous example of this large category is Taiwan, for which the EC Commission issued the required declaration of reciprocity in 1996.<sup>16</sup> If a registration is obtained by someone having no standing under the regulation, the registration is at risk of being declared invalid (art. 51).<sup>17</sup>

All signs which are capable of being represented graphically and which have some distinctive character are capable of being a Community trade mark. Therefore, word marks, figurative marks including colour marks, three-dimensional marks, as well as sound and possibly even scent marks may be registered as a CTM. For example colour marks can be represented by colouring an area on a sheet of paper and sounds mark can be represented through notations or so-called sonograms. Accordingly, practically no signs are per se excluded from being registered as a trade mark under article 4 of the CTMR.<sup>18</sup>

Article 8 of the CTMR deals with third parties' earlier rights as an obstacle to registration of a CTM. As such rights are "relative" grounds for refusal, since their purpose is to protect another person's subjective rights and not the public interest, OHIM performs no *ex officio* examination on such grounds. These are only considered during the registration proceedings on the basis of an opposition to the registration of the trade mark in question(Art 42). Although conflicting prior rights may still be invoked against the CTM at a later stage following registration, for example in invalidity proceedings according to Article 52, it will in general be in the competitor's own interest to prevent at an early stage the registration of a trade mark which infringes his own prior rights.

Relative grounds for refusal are primarily based on cases of identity (article 8.1a) and of confusing similarity (article 8.1b) between the CTM and the

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<sup>16</sup> O.J. C335/3 [1996] O.J. O.H.I.M. 1717.

<sup>17</sup> Terence Prime, *European Intellectual Property Law*, Ashgate and Dartmouth Publishing Company Ltd., 2000

<sup>18</sup> Isabel M. Davies, *European Trade Mark Litigation Handbook*, Sweet & Maxwell, 1998.



earlier trade mark. Trade marks with a reputation enjoy additional protection against dilution (article 8.5).<sup>19</sup> Appeals against a refusal to register can be made to one of the Boards of Appeal. From there further appeals on the interpretation of the Regulation will go to the European Court of First Instance (CFI) and ultimately to the European Court of Justice (ECJ).

Once a CTM registration has been granted, it can still be revoked on the application of an owner of a prior conflicting right (CTM or national) for up to five years after the owner of the prior right becomes aware of the use of the CTM and also by anyone on grounds of non-use (after five years of non use) or by anyone at any time if the mark becomes generic or misleading.

Since a CTM can be maintained by use in any part of the EU, it is clearly possible for the owner of a prior national right to be unaware of a conflicting CTM for many years. Since the existence of a CTM will be a matter of public record, the test of awareness may develop into a concept of constructive awareness, in other words, in future it may be held that if a CTM is on the Register, third parties will be fixed with constructive knowledge of its existence.

If a CTM is challenged and removed from the CTM register, the owner of a CTM can refile national applications in all EU countries other than the country or countries in respect of which the challenge was made. These national applications will have the same date of application as the CTM application.

Where a Community trade mark meets the requirements of the Regulation and any opposition has been overcome it is registered for period of ten years from the filing date on payment of the registration fee (art 45 and 46). Despite the unitary nature of a CTM, infringements will occur country by country and enforcement of the CTM will be dealt with in specially designated Community Trade Mark Courts in each country of the EC. In dealing with CTM infringement claims, the Community trade mark courts are to apply the provision of the Community Trade Mark Regulation.<sup>20</sup>

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<sup>19</sup> Isabel M. Davies, *European Trade Mark Litigation Handbook*, Sweet & Maxwell, 1998.

<sup>20</sup> Tina Hart and Linda Fazzani, *Intellectual Property Law*, 3<sup>rd</sup> edition, Palgrave Macmillan, 2004.

# 4 Likelihood of confusion

## 4.1 Global appreciation

While the protection granted under Community law is absolute in the case of identity between the mark and the sign and the goods or services and thus risk of confusion is implied, Article 8 (1)(b) of the CTMR requires, in cases in which only similar trade marks and/or goods/services are at issue, a 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 linked undertakings. Trademarks can be more or less similar to each other. According to the ECJ, a consideration of the similarity of the marks at issue and their goods depends on numerous elements.

The test, of course, is whether they are confusingly similar. As said before, a trademark is confusingly similar to a prior mark if, when used for similar goods or services, so closely resembles the prior mark that there is a likelihood of consumers being misled as to the nature or origin of the goods or services. If the consumer is confused, the distinguishing role of the trademark is not functioning, and the consumer may fail to buy the product that he wants. The intention of the infringer to confuse is not necessary, nor is actual confusion. Therefore, when trade marks are not identical, the fact that they are similar will enable the owner of the earlier mark to resist any use of a similar mark on identical or similar goods or services where confusion is likely to result.

It follows that it is necessary to pose the question as to how two trade marks, which are not identical, should be compared in order to decide whether they are confusingly similar. The ECJ was required to consider this question in *Sabel v Puma*.<sup>21</sup> First of all it has to be said that similarity between trade marks can be aural, visual and conceptual. The ECJ, gave an important principle, stating that the comparison of trade marks should involve a “*global appreciation of the visual, aural or conceptual similarity of the marks in question, bearing in mind, in particular, their distinctive and dominant components.*”<sup>22</sup> According to the ECJ, a global appreciation was necessary because “*the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.*”<sup>23</sup>

Since trade marks generally consist of words which are read, spoken and understood, or of logos, containers or packaging which are seen and understood, the only way of comparing marks is asking what they look like, what they sound like and what they mean. However, it is not self-evident

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<sup>21</sup> Case C-251/95, *Sabel v Puma* [1997] ECR I-6191.

<sup>22</sup> *ibid.* para 23.

<sup>23</sup> *ibid.* para 23.

that each factor of a trade mark should be considered, and the degree of importance which should be given to each factor is not always obvious.

The *Sabel v Puma* test emphasizes that one should, when comparing trade marks, bear in mind in particular their “distinctive and dominant components”. This verbal formula means that one has to consider those features of each mark which distinguish it from all other marks which are unlike it; secondly, it also means that one must consider those features which distinguish each of the two marks from the other.

*Sabel v Puma* remains only the beginning of the story of comparison of trade marks. There has been a number of other important authorities from the Court of Justice on the principles to be applied when considering the likelihood of confusion.<sup>24</sup> Principles related to the determination of the likelihood of confusion can be drawn from *Canon*,<sup>25</sup> *Lloyd*,<sup>26</sup> and *Marca Mode*.<sup>27</sup> The ECJ in those cases has identified two types of confusion: the direct and the indirect. Direct confusion occurs where two products or services are confused with each other. Indirect confusion occurs where it is not the products or services which are confused with each other but the owners of the trade mark which is used by each product or service.

#### 4.1.1 The analysis of confusion

As it can be seen from the principles stated by the ECJ, assessing likelihood of confusion involves the analysis of several factors. The analysis of confusion consists of three elements:

1) the similarity between the marks; 2) the similarity between the goods/services; 3) the distinctiveness of the earlier mark. The latter can again be divided into two: the inherent characteristic of the mark and its reputation. The global appreciation test ensures that the strength of one element may compensate for the weakness of another.

Before going through this analysis, it is worth to say that the fact that neither the trade mark proprietor nor his adversary have previously sought to object to the use of each other’s marks, does not imply lack of confusion. Likelihood of confusion can be enhanced by the high degree of similarity between goods. As it will be more exhaustively dealt with in the part of the thesis dedicated to the similarity of goods, the ECJ’s *Canon* principle stated that the more similar goods or services are, the less similar a mark will need

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<sup>24</sup> William Cornish, *Cases and Materials on Intellectual Property*, Sweet & Maxwell, chapter 5, 2003.

<sup>25</sup> Case C-39/97, *Canon v. MGM* [1998] ECR I-5507.

<sup>26</sup> Case C-342/97, *Lloyd Schufabrik Meyer & Co GmbH v. Klijsen Handel BV* [1999] ECR I-3819.

<sup>27</sup> Case C-425/98, *Marca Mode CV v. Adidas AG and Adidas, Benelux BV* [2000] E.T.M.R. 723.

to be in order to cause a likelihood of confusion. However, it is important to notice how this factor alone is not sufficient to create confusion; there is a point beyond which even this principle cannot be applied: for example, in one case, the fact that both parties sold stationery could not make GRANDEE confusingly similar to LANDRE.<sup>28</sup> The goods in question were identical, since they served the same purposes and were sold in competition with each other. Notwithstanding the two trade marks had some visual and phonetic common features, the Office considered these to be too weak and came to the conclusion that the two trade marks were dissimilar and no likelihood of confusion could arise on the part of the public in Germany, where the earlier trade mark was registered.

Another aspect to take into account, is that the likelihood of confusion usually derives from the combination of the different elements of the two trade marks. According to the Court's holding in *Lloyd Schuhfabrik*,<sup>29</sup> strengthening the concept already stated in *Puma*, the global appreciation of the likelihood of confusion must, as regards the visual, oral or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind in particular their distinctive and dominant components. The approach of a global assessment of the appearance of the trade mark at issue does not exclude, however, the possibility that a single component of such a combination mark per se causes risk of confusion.

Thus risk of confusion may be caused already by one of several elements a trade mark consists of, if this element determines the overall appearance of the mark and thus has an indicating nature independent from the other components. A case in which such considerations were decisive, relates to an opposition<sup>30</sup> filed on the basis of various national trade mark registrations for the trade mark UNLV REBELS against the CTM application REBEL (word mark).



earlier trade mark

**REBEL**

CTM application

In this case phonetic risk of confusion was the relevant issue, since the two trade marks were apparently different. The Opposition Division held that the earlier mark was likely to be referred to simply as “Rebels” because of the difficulty in pronouncing the letters “UNLV”. Moreover, the Opposition Division was convinced that consumers would probably be unaware of the fact that the element UNLV stands for “University of Nevada, Las Vegas”. Thus consumers would tend to identify the earlier mark as “Rebel's” or as

<sup>28</sup> Case R-39/2000-1, *Landrè GmbH v International Paper Company* [2001] ETMR 794.

<sup>29</sup> Case C-342/97, *Lloyd Schuhfabrik Meyer & Co GmbH v. Klijsen Handel BV* [1999] ECR I-3819, par. 25.

<sup>30</sup> Decision 479/1999 of the Opposition Division of July 20, 1999, O.J. 12/1999, 1549.

“something plus Rebel's”. Therefore, the phonetic aspect in the *Rebel* was decisive.

When testing the similarity of trademarks, more weight should be given to common elements which may lead to confusion, while differences overlooked by the average consumer should not be emphasized. Also the structure of the signs is important. Common prefixes are normally more important than common suffixes; if two signs are very similar or identical at the beginning, they are more likely to be confused than if the similarity is in their endings. Long words with common or similar beginnings are more likely to be confused than short words with different initial letters.

Another important point is that confusion can arise from similarity in the writing, the pronunciation and in the meaning of the sign, and that similarity in one of those areas is sufficient for infringement if it misleads the public. With regard to similarity in writing, the graphic presentation of the trademark plays an important part.

A clear example of this kind of similarity is found in *Davidoff*,<sup>31</sup> where the claimant held registrations internationally, including Germany, for the trade mark DAVIDOFF, for men's items, including cosmetics, cognac, ties, spectacle frames, plus tobacco products, pipes and smoking accessories. The claimant's mark had an emphasis on the formation of the “D” and the “ff”. Subsequently, Gofkid registered the mark DURFEE in Germany and used it on jewellery, tableware, table items, watches, precious metals and stones, cigarette cases and the like. Therefore, the two trade marks covered many goods that were similar.



The DURFEE trade mark was used on such goods in a similar script and with the same formation of the “D” and “ff”. The action in Germany sought an order to stop this use on the Defendant's goods and to secure annulment of the registrations of DURFEE.

Also similarity in pronunciation is important because trademarks that are written differently may be pronounced in the same way, and pronunciation counts in oral communication. Accordingly, even if similarity in writing is avoided by using very different graphic presentations, this does not make any difference when the two trademarks are compared orally.

Similarity in meaning may lead to confusion if both trademarks convey the same concept. Conversely, a totally different meaning can preclude

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<sup>31</sup> Case C-292/00, *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd.* [2003] ECR I-389.

confusion between two marks that would normally be regarded as confusingly similar. A special case is the device that can be named by a word. A star or sun devices would be confusingly similar to the word marks “STAR” and “SUN”. The situation is different when two device marks both represent an animal, since case law generally hesitates to grant a monopoly on an animal device as such.<sup>32</sup>

Another important point is that highly distinctive marks are more likely to be confused than marks with associative meanings in relation to the goods for which they are registered. The same is true if a mark contains a highly distinctive part, which is exactly or almost exactly duplicated by the infringing mark. If, on the other hand, the common element of the two signs is descriptive, the consumer’s attention tends to focus on the rest of the mark.

#### **4.1.2 The consumer’s perception of trade marks**

The classical view of a trademark is that the consumer should be able to identify the origin of the goods/services to which the trademark is applied. The perception of marks in the mind of the average consumer of the category of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. For the purposes of that global appreciation the average consumer of the category of products concerned is deemed to be reasonably well-informed and reasonably observant and circumspect.<sup>33</sup> The phrase “likelihood of confusion of the consumer” have to be interpreted. As far as likelihood of confusion is concerned, “the consumer” does not exist as such, and the public as such cannot be confused. Confusion is likely to arise, always in a section of the public. It has to be determined in the specific case what is the relevant part of the public that has to be considered; in other words it is fundamental to identify who is actually addressed or reached by the trademark.

Since it is very difficult to work in practice with the broad definition of confusing similarity, some rules have been developed which help to define in specific cases whether, in view of the similarity of the two marks, confusion is likely to arise. The most important point is that the consumer does not compare trademarks side by side; he is generally confronted with the infringing mark in the shop without seeing the product bearing the mark that he knows and remembers more or less accurately. Therefore the average

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<sup>32</sup> International Bureau of WIPO, *Introduction to Trademark Law & Practice*, 2<sup>nd</sup> edition, WIPO Pub. No. 653(E), 1993.

<sup>33</sup> Case C-210/96, *Gut Springenheide and Tusky* [1998] ECR-4657, para 31.

consumer only rarely has the chance to make an accurate comparison between the different marks.<sup>34</sup>

It should be also borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question. In this context it must be taken into account that the average consumer also has an average memory; the consumer must place his trust in the imperfect picture of the trade marks that he has kept in his mind; therefore, a consumer can be said to be confused when he doubts whether the trademark with which he is confronted is the one he knows. Since the average consumer generally does not at first glance recognize differences between the marks that he might spot if he took his time to study the mark and the product offered under it more carefully, the first impression that he gains must be decisive.

Furthermore, it is important to add that unsophisticated, poorly-educated consumers and also children are more liable to be confused.

### **4.1.3 Goods and likelihood of confusion**

The inherent nature of the goods or services themselves plays an important role in the assessment of likelihood of confusion. Consumers are more careful to distinguish some sorts of goods than others. An interesting example of how the category of goods can influence the testing of confusing similarity is to be found in the field of pharmaceutical. Usually no problems arise for the consumer in relation to prescription drugs which are normally sold by educated pharmacists, who are less likely to be misled by relatively similar brand names used for medicines for different indications; on the other hand, for drugs sold over the counter, greater care is taken by the consumer with regard to the names of competing medicines, in view of the potentially negative consequences if he buys a wrong product.

Considerable attention may also be given to the names of competing items like lipstick and nail varnish, where a mistake may result in a colour clash. The purchaser of a sophisticated and costly machine, car or aircraft will no doubt be more careful than the consumer in the self-service store. Rather less intellectual effort is spent in discriminating between products where consumers are less sensitive to the outcome of their choice; this is especially true for mass-consumption goods offered in self-service stores, for example, in the case of apples, potatoes or cheese. According to the CFI, for example, beer is not a commodity which, because of its inherent nature, is likely to be

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<sup>34</sup> Hedvig K.S. Schmidt, *Likelihood of Confusion In European Trademarks, Where Are We Now*, E.I.P.R. 2002, 24(10).

particularly carefully studied by consumers. As it stated in *Mystery v Mixery*.<sup>35</sup>

“ As regards the applicant's arguments concerning the special attention which consumers pay to the alcoholic content of beverages, in the light of the restrictions associated with age or driving, they cannot be accepted since, as the Board of Appeal observed, the differences between certain beverages from the point of view of alcoholic content ((beers with reduced alcohol content, beers without alcohol or mixed beverages) would tend to become blurred and would not prevent consumers from considering that both products were manufactured under the control of the same undertaking.”<sup>36</sup>

#### 4.1.4 Final remarks

In conclusion, it is important to point out once again that the assessment of the likeness of two trade marks must be based on the overall impression created by them, taking into account their visual, aural or conceptual similarity and bearing in mind, in particular, distinctiveness and dominant components (*SABEL*, paragraph 23, and *Lloyd Schuhfabrik*, paragraph 25). In the following chapters, these factors, briefly analysed above, will be developed in-depth.

## 4.2 Similarity between marks

Any sign selected to be a Community Trade Mark must, in addition to being distinctive, also be available. Consequently, the selected sign must not be subject to any pre-existing right. This is fundamental to ensure the easy registration of any CTM, and to guarantee its peaceful use. Any proprietor of an earlier right, which conflicts with sign which has been selected for use in a CTM, is entitled to invoke his earlier right against that CTM. Pursuant to Regulation 40/94,<sup>37</sup> he may, depending upon the circumstances, do so either before registration of a CTM, in opposition proceedings, or after registration of a CTM, in invalidity proceedings.

The first and main part of this chapter deals with different aspects of the identity and similarity between trade marks; the second, focuses on the similarity in relation to goods and services.

Any earlier right is a relative ground of refusal of a CTM; it is a relative ground since only the authorised holder of that right is entitled to invoke it. Article 8(1)(a) and (b) CTMR provides that, upon opposition by the

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<sup>35</sup> Case T-99/01, *Mystery Drinks GmbH v OHIM, Karlsberg Brauerei KG Weber Intervening* [2003] ECR II-43.

<sup>36</sup> *Ibid.* para 41.

<sup>37</sup> Council Reg. No./94 on the Community Trade Mark, [1994] O.J. L 11/1 [1995] O.J. O.H.I.M. 50; [1995] O.J. O.H.I.M. 511.



proprietor of an earlier right, a CTM which has been applied for must not be registered in the following circumstances:

a) *if it is identical with the earlier trade mark and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected;*

b) *if, because of its identity or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark*".<sup>38</sup>

## 4.2.1 Identical marks

Since the consequence of concluding that conflicting marks are identical is that it obviates any need to show that there is a risk of confusion, it is worth to spend a few words on the question as to when trade marks are identical. The law presumes that confusion exists between identical marks which are used for identical goods and services; therefore if a trade mark owner proves that his competitor's sign is "identical" to his trade mark, he does not need to go through the often lengthy and expensive process of proving that there is a likelihood of confusion between his trade mark and that of his competitor. However, where the goods or services of his competitor are only similar to those for which he has registered his mark, he will have to prove that a likelihood of confusion exists, irrespectively of whether his trade mark and that of his competitor are identical or similar.

The Office does not, before registering a CTM, investigate whether there are earlier identical or similar trade marks. Thus, the Office would register two identical trade marks for the same goods or services for different proprietors, except if opposition is made to the second registration. In this context, earlier trade mark means any Community, national or international trade mark or trade mark application (subject to its subsequent registration) which was applied for before the filing date of a CTM application, taking account, if appropriate, of any priority claimed in respect of that trade mark, and any trade mark which is well known in a Member State.

There are some factors which suggest that marks are identical; for example, if the later sign contains an element which is regarded as purely descriptive, it may be ignored in the course of comparison with the earlier mark. For example, if someone have registered the trade mark SAMSONITE for luggage, a competitor cannot say that he has not used the same mark just

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<sup>38</sup> Council Reg. No./94 on the Community Trade Mark, [1994] O.J. L 11/1 [1995] O.J. O.H.I.M. 50; [1995] O.J. O.H.I.M. 511, Art. 8.1 (a) and (b).

because the label on his luggage bears the legend SAMSONITE LUGGAGE”. On the other hand there are elements which suggest that trade marks are not identical. This is the case where a competitor copies only part of the trade mark owner’s registered mark; in such a situation it is not possible to say that he has used an identical mark, even though the part which was copied was the most prominent part of it. Accordingly, the Court of Appeal of Paris has concluded that POST AIR is not an identical mark to LA POSTE.<sup>39</sup>

A criterion which will make marks being similar rather than identical is whether the material added by the later mark gives it a completely different meaning. This was recognized by the French Court of Cassation, which conceded that the word mark FIRST was copied in its entirety in the mark FIRST LADY, but the association of “First Lady” with the wife of the President of the United States completely changed the later mark’s meaning.<sup>40</sup> Likewise the Paris Court of Appeal perhaps held that CHAMPION DU MUNDE had a meaning which was quite different from that of the earlier mark CHAMPION.<sup>41</sup>

What is meant by the word “identical” is not as easy as it seems. For example there is uncertainty whether identity covers only words that are exactly the same as the registered mark with no additions at all, even in the form of apostrophes or additional letters, or also words that are virtually identical but differ in some respect.

*Diffusion*<sup>42</sup> was the first chance for the ECJ to comment on the question of identity. In *Diffusion* the claimant, a French company producing clothing, registered as a device mark the word ARTHUR written in stylised form. The defendant registered in France the trade mark ARTHUR ET FELICIE for children’s clothing. The application was opposed by the claimant on the basis of Art.5(1)(a) of the Directive. The claimant contested the use and registration of the defendant's mark in France and the French court referred a question concerning the assessment of identity between the two marks to the ECJ for clarification. The French court asked whether the prohibition in Art 5(1)(a) covered only identical reproduction, without addition or omission, of the sign or signs constituting a mark or it could have been extended to reproduction of the distinctive element of a mark composed of a number of signs and to full reproduction of the signs making up the mark where news signs are added. In reaching its decision, the ECJ stressed that the essential function of a trade mark is the guarantee of the identity of the origin of the goods or services to the end user without any possibility of confusion. For that guarantee to be ensured, the proprietor must be protected from competitors that seek to take unfair advantage of the status of the reputation of the mark by selling products illegally bearing the mark. Article 5 of the Directive provides this guarantee by granting the proprietor of a

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<sup>39</sup> Case *AOM Minerve SA v. INPI and another* [2001] ETMR-1209.

<sup>40</sup> Case *Sarl Succès de Paris v SA Parfums Van Cleef et Arpels* [1999] ETMR-869

<sup>41</sup> Case *Atlan v INPI and SA Promodès* [2001] ETMR-88.

<sup>42</sup> Case C-291/00, *Société LTJ Diffusion v Sadas Vertbaudet SA* [2003] ECR I-2799.

registered trade mark the exclusive right to use the mark and, within certain limits, the right to exclude others from using his mark in the course of trade.

The court emphasised that Art.5(1) should be interpreted strictly so as to avoid the application of the section to situations which were more specifically protected under Art.5(2) of the Directive that is, in situations where there is identity or similarity between the sign and the mark and between the goods or services which they designate such that there exists a likelihood of confusion on the part of the public.

The Court went on holding that the perception of identity had to be made globally from the perspective of the average consumer, bearing in mind that the consumer (who is deemed to be reasonably observant and circumspect), rarely has an opportunity to make a side-by-side comparison of the mark and the sign, but rather must rely on his own imperfect recollection of the mark. Since the consumer's comparison is not mark for sign and is, in any event, based on an imperfect recollection of the mark, the perception of identity might be such that insignificant differences between the mark and the sign go unnoticed. In those circumstances the court accepted that the mark and the sign might still be considered to be identical for the purposes of Art.5(1) even though objectively they were not identical.

According to the ECJ decision in the *Diffusion* case, the test of whether a mark and a sign are identical is therefore not so easy. A sign that is objectively different may be considered to be identical if consumers may not recall or recognise the small differences between the two trade marks. Therefore, in *Diffusion* the ECJ has given to the meaning of identical a broad interpretation.<sup>43</sup>

## 4.2.2 Visual similarity

In order to assess the similarity between the marks concerned, the first step is to determine the degree of visual, aural or conceptual similarity between them, and then it is necessary to evaluate the importance to be given to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed.<sup>44</sup> In general to measure the similarity of goods is not an easy task; many factors will have to be taken into account.<sup>45</sup> Now that *Sabel v Puma* has identified the three criteria by which the similarity between two trade marks is established, it must be examined the way in which the European courts and the Office have applied those criteria.

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<sup>43</sup> Belinda Isaac, Rajiv Joshi, *What Does It Mean Identical*, Belinda Isaac, E.I.P.R. 2005, 27(5).

<sup>44</sup> Eric Gastinel and Mark Milford, *The Legal Aspects of the Community Trade Mark*, Kluwer Law International, chapter 1, 2001.

<sup>45</sup> Hedvig K.S. Schmidt, *Likelihood of Confusion In European Trade Marks, Where Are We Now*, E.I.P.R. 2002, 24(10).

Visual similarity is often considered the main criteria of similarity; trade marks are mostly perceived visually, since they are usually graphic representations, using characters on their own or with pictures and colours. Henceforth, the customer's attention is caught mainly by means of visual perception. The visual element of trade marks, in comparison to the aural and conceptual elements, is more complex: in fact, the visual element includes, in addition to any textual content, colour, shape, size and position, while the aural element, in addition to any melodic content, includes just pitch, tone and volume. The conceptual element does not exist in any physical dimension, but depends upon the ability of the consumer to extract a concept from either the appearance or sound of the mark.

Visual similarity give rise to problems when a word mark is compared with a figurative mark which contains that word. This is because, where a word is registered as a trade mark and the applicant does not specify how he intends to use that word, one can either say that any representation of the word in another's trade mark is visually similar to it, because they consist of the same letters, or that only a representation with an identical or similar style or type font is visually similar.

The first approach appears to have been taken by the OHIM First Cancellation Division, which considered that the figurative mark SENSO DI DONNA was visually similar to the word mark SENSO.<sup>46</sup>



*“...Taking into account all the relevant factors in the present case, bearing in mind, in particular, the dominant components of the compared signs, and that the goods are identical, it is concluded that there is likelihood of confusion between the CTM registration "SENSO DI DONNA" (figurative) and the earlier mark "SENSO", for footwear, in class 25, on the part of the public where the earlier marks are protected. If the relevant consumer sees the goods and marks at issue alongside each other, it is very likely that he will assume that the holder of the SENSO brand had undertaken a 'line extension', and now possesses a family of SENSO marks”.*<sup>47</sup>

A peculiar category of visual similarity is the one called “rather similar”. The term was used by the OHIM Third Board of Appeal in *Fox's v Fuchs*,<sup>48</sup> where it ruled that the two trade marks, both used for biscuits, looked rather similar, in contrast with words like Landau, Potter or Harmsen which look very different:

<sup>46</sup> Case C-616979/1, *Senso di Donna's trade mark: Kim Carl Meller's application for a declaration of invalidity*, [2001] ETMR 38.

<sup>47</sup> *Ibid.* para 27.

<sup>48</sup> Case R-819/2000-3, *Northern Foods Grocery Group Ltd's Application: opposition by Horace M Ostwald* [2002] ETMR 516.

*“Visually both trade marks are short words of nearly the same length, starting and ending with the same letters. The eye takes the word at a glance and does not need to read it. Already the fact that both words are short, composed by nearly the same number of letters, renders them similar to a certain degree. It is admitted that the letter X might be a rare letter in the English language, but this would not be sufficient to render the signs very different. Names like Landau, Potter or Harmsen would have to be considered surnames which are visually very different from FUCHS or FOX’S. Comparing them in their entirety, they look rather similar”.*<sup>49</sup>

The term “rather similar” and “very different” do not exist in TRIPs or in the CTM Regulation. According to the Board of appeal the phonetic and conceptual similarities between Fox's and Fuchs could just about outweigh the visual differences between the two marks and therefore lead to consumer confusion.

In another case,<sup>50</sup> on the contrary, despite the immediately apparent similarity between them, two trade marks were found by an OHIM Opposition Division “not similar”. The two cockerel marks were closely analysed and their differences listed at length.



earlier trade mark registrations



CTM-application

The result of the accurate examination was that:

*“A comparison of the CTM application with the earlier trade marks registrations VICTORIA leads to the following conclusions.*

*Visually, the common feature of both marks is the device of a cock. Both cocks are depicted in profile and are facing to the left. The differences appear firstly in the design of the illustrations in question. In the earlier marks the left leg of the cock is lifted as if the cock were walking. In the CTM application the stylised word VICTORIA is placed in the front of the cock’s beak so that it looks as if the word forms part of the cock’s crow. Furthermore, the CTM application has a more clearly defined cock than the earlier marks. There is a also clear difference between the images of the feathers and the feet in each mark. Finally, the different position of the words in the trade marks also strengthens the visual dissimilarity between the marks. Therefore, from a visual point of view the trade marks are not similar”.*<sup>51</sup>

The OHIM, after an overall assessment of the visual, phonetic and conceptual similarities between the marks, bearing in mind, in particular, their distinctive and dominant components, concluded that there was no similarity between VICTORIA (device marks) on the one hand, and COQ

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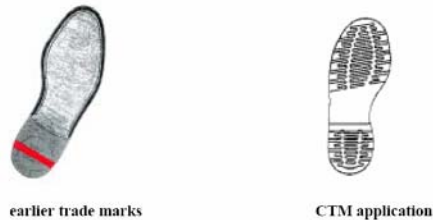
<sup>49</sup> Ibid. para 19.

<sup>50</sup> Case B 43457, *Fromex SA’s application; opposition of KH de Jong’s Exporthandel BV*, [1999] ETMR 989.

<sup>51</sup> Ibid, pag. 5.

D'OR (device mark) on the other. The Office concluded that the marks were not similar. Because of the lack of similarity of the signs, notwithstanding the similarity or identity of the goods for which the mark was applied, no likelihood of confusion was founded, including the likelihood of association, with the earlier trade mark registrations.

In another case two merely figurative marks have been visually analysed in their various details; the controversy regarded the representation of the imprints of shoes.<sup>52</sup>



The earlier trade marks consisted of the under part of a left shoe with a red horizontal stripe on the heel which crossed over a circle showing black and white stripes. The heel also pictures two black and white bars resembling letters which were not legible. The sole was plain. The colour of the heel was slightly darker compared to that of the upper sole, which is outlined by a black rim and a visible seam. On the arch of the foot were written the German words “Echtes Leder” which mean “genuine leather”. Also the Community Trade Mark application consisted of an imprint of a shoe, but several differences were found by the Opposition Division: the sole was a non-slip type, with a patterned black and white sole tread and a white bar which separated the heel from the upper sole. The tread only covered the heel and the front part of the upper sole and leaves the arch of the foot blank. The Opposition Division, after a global appreciation of the visual aspect of both trade marks, established that the trade marks were visually dissimilar; therefore, the perception of the both marks as a shoeprint or sole did not make them visually similar.

### 4.2.3 Aural similarity

It is important to underline the fact that, although two trade marks have additional distinctive elements, those visual elements may be less significant in situations where they are not perceived when the marks are pronounced. Therefore when two devices, have both words “phonetically” rather close and both marks are not clearly comparable by “visual” elements, the aural element should be taken into account and may prevail over the graphical.

Having said that, mere aural similarity between trade marks might also create a likelihood of confusion, as held by the Court of Justice in *Lloyd*

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<sup>52</sup> Case 165/2000, *Dr Martens International Trading GmbH's application; opposition of Lloyd Schuhfabrik Meyer & Co GmbH*, [2000] ETMR 1151.

*Schufabrik*.<sup>53</sup> The case points to the fact that two Trade Marks may be visually distinct from each other, but in fact sound very similar. In this case, the complainant asserted that its trade mark, LLOYD was infringed by the use of a similar name LLOINT's and that the words, even though visually different, when spoken sounded very similar. The companies competed head to head in the sale of shoes, and it was complained that customers would confuse the sound of the Marks, and that therefore the second Mark should be refused. The court in this case dealt only with issues of principle, being asked whether a mere similarity in sound, aural similarity, was capable of such significance under the European Trade Mark Directive. The Court held that an aural similarity could, on its own, be sufficient to cause confusion within the meaning of article 5 of the Directive; whether it does or not so, depends upon the entire picture which includes several factors. These might be whether the sounds has any other additional connotation of meaning which might assist, and whether the Mark contained any element descriptive of the goods marked. Account has also to be taken of the closeness of the marks, and the degree of distinctiveness the mark has already acquired in that market. The court pointed out that this could not be an exact assessment, since each case has to be taken on its merits.

Another clarifying example regarding phonetic similarity which might lead to confusion is represented by the *Bostik* case.<sup>54</sup> Bostik Findley S.A. opposed to the registration as a Community trade mark of the sign O'STIC for glues, rubber solutions and the like. The opponent argued that there was a likelihood of confusion due to the similarity of the marks and the identity of the goods.

**BOSTIK**  
Earlier registrations

**O'stic**  
Contested CTMA

The applicant, UHU GmbH & Co., objected that there was no likelihood of confusion because the marks were not similar. The OHIM opposition division carefully analysed the two marks: the two trade marks had in common the letters O-S-T-I. According to the OHIM, the difference between the marks consisted basically only of the beginning of the marks, since the last letters of the marks were K and C which when pronounced sounds identical. Moreover, the Office, correctly considered that the Spanish pronunciation of the letter B is usually a soft sound sometimes verging on the sound of a V. Therefore, aurally the marks were similar. The OHIM, after having considered that the visual differences between the signs did not prevail over the aural similarities, concluded that the two trade marks were similar.

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<sup>53</sup> C-342/97, *Lloyd Schufabrik Meyer & Co GmbH v. Klijsen Handel BV* [1999] ECR I-3819, para 28.

<sup>54</sup> Case B542474, Opposition Division, Unit 6 [2005] ETMR.

In another interesting case,<sup>55</sup> already discussed in the paragraph dedicated to the visual similarity, when considering whether the English-language word “fox’s” was similar to its German equivalent “fuchs” in Germany, OHIM observed that German speakers will treat “fox’s” as a monosyllable, even though English biscuit eaters would know that it was bisyllabic. The Board of Appeals analysis is very interesting:

*“Even if it is accepted that the consumer understands FOX as a surname, it has to be considered that on the German market surnames being used as trade marks without any explicit reference to the products, will normally not be apostrophised. This is particularly true for names in which the last consonant is already an ‘s’ sound, like in Fox or Fuchs. Phonetically the X is merged with the ‘S’. The consumer will pronounce the trade mark ‘FOKS’ and not ‘FOKS-ES’.*

*The Board does not share the findings in the contested decision that the vowels ‘O’ and ‘U’ are quite different. Both words are short, one syllable words. Certainly the word ‘Fuchs’ will not be pronounced ‘FOOKS’ with a great emphasis on a long vowel sound, but rather with a short vowel sound, just like in ‘FOX’. Both vowels furthermore are closed vowels as opposed to vowels like E or I. Phonetically the trade marks are therefore very similar”.*<sup>56</sup>

An opposite outcome may be reached if it is considered that in some cases, the relevant consuming public is, or should be, aware that a word comes from a foreign language, since it is likely that weight will be given to its foreign pronunciation; however, it has to be taken into account the level of knowledge of foreign languages among the relevant public, because the knowledge of the exact origin of the word does not necessarily mean that people will be able to pronounce it correctly. Taking for example an English word, it is more likely that Spanish or Greek consumers will misspell it rather than Swedish consumers. If however there is no reason to suspect that a word is foreign or that, even if it is suspected that it is foreign, the relevant consuming public would not know which language it belongs to, it will be assumed that those consumers will pronounce it as an indigenous word.

As a final comment it is worth to mention a statement made by an OHIM Opposition Division, according to which in “aural terms”, vowels always have a more striking effect than consonants.<sup>57</sup>

#### **4.2.4 Conceptual similarity**

After the analysis of the first two kinds of similarity, this paragraph deals with the last criteria: the conceptual similarity. The conceptual similarity can be analysed under different perspectives. A word which conveys a concept and a visual image which conveys the same literal concept are conceptually similar. For example, the word “dog” and a picture of a dog,

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<sup>55</sup> Case R 819/2000-3, *Northern Foods Grocery Group Ltd’s Application; opposition by Horace M Ostwald* [2002] ETMR 516.

<sup>56</sup> *Ibid*, paras 17 and 18.

<sup>57</sup> Case 57/1998, *Warsteiner Brauerei Gaus GmbH & Co KG’s application; opposition of Brauerei Beck GmbH & Co* [1999] ETMR 225,230.



are conceptually similar. On the other hand, it is not clear whether there is any conceptual similarity between a word which conveys a concept and a visual image which conveys the same concept but in a metaphorical way. For instance, taking again a dog as example, it is not evident that there is conceptual similarity between the word mark dog and an image of a leash.

In *Fromex*<sup>58</sup> it is possible to find interesting hints regarding the assessment of conceptual similarity. First of all both marks conceptually referred to cocks. However, according to the Office, this did not necessarily mean that the two marks were conceptually similar; a cock's image can be depicted in different ways and, as the applicant indicated, there are several international registrations of cocks as device marks. Furthermore, the opponent based his opposition on an International registration with effect in, among other countries, France. Since in France the words "coq d'or" refer to the device mark in question, the words had a meaning among the consumers in France. The word "victoria", on the other hand, had no special relationship with the device mark representing a cock; the Office, after taking into account the differences, found that there was no conceptual similarity between the two trade marks.

#### **4.2.4.1 Conceptual similarity between word marks**

Where a trade mark consists of words alone, the decision whether the trade marks are conceptually similar is necessarily based only on the words; accordingly the meaning of the words will inevitably define that underlying concept.

*Orangex*<sup>59</sup> is one of the case where two word marks were examined under the conceptual similarity perspective. Orangex C.A. filed application to register the word mark "ORANGEX" as a trade mark for manual juice extracting machine. The opposition was based on an earlier German trade mark registration of the figurative mark ORANGE X-PRESS for the following goods: electric fruit presses, non-electric fruit presses, fresh citrus fruit and fruit juices, beverages containing fruit. According to the Office, even though both marks conceptually referred to oranges, this of itself was not enough to establish conceptual similarity. Taking each mark as a whole, the Board found that the word ORANGEX did not clearly meant something more than "orange", since the suffix 'ex' of the applicant's sign did not evoke any specific meaning at all; at the most it could have been understood as alluding to "extract" or export. On the contrary, the second part of the opponent's sign, embraced the concept of "pressing" or "express" in the sense of an extra quick process of orange-squeezing. The Board of Appeal concluded that the applicant's word mark ORANGEX was not similar to the word mark ORANGE X-PRESS:

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<sup>58</sup> Case B 43457, *Fromex SA's application; opposition of KH de Jong's Exporthandel BV*, [1999] ETMR 989.

<sup>59</sup> Case R 662/2001-1, *Orangex CA v Juan Jose Llobart Gavaldà* [2003] ETMR 302.

However, since a single trade mark can contain more than a single concept, it is necessary to ask whether the element which most strikes the consumer about each of two compared trade marks is the same concept or the conceptual surplus. With reference to the previous case, if a consumer, looking at the two trade marks, thinks “orange” and “orange”, he has focused on the similarity; if instead he thinks “orange” and “press”, then it can be said that there is no conceptual similarity. Following this kind of reasoning, the Board of Appeal might have decided the case in a different way.

To conclude, it is important to underline that a word mark expressed in the singular will not be considered dissimilar from the same word mark expressed in the plural.<sup>60</sup>

#### **4.2.4.2 Conceptual similarity between figurative marks**

When assessing conceptual similarity between trade marks, usually word marks are involved. However, there are also cases in which the conceptual comparison is to be made between purely figurative marks such as representations of the imprints of shoes. As previously mentioned, in the *Dr Martens*,<sup>61</sup> the earlier trade marks consisted of the under part of a left shoe with a red stripe on the heel; the CTM application consisted of an imprint of a shoe too. However, the Office found that the trade marks were visually dissimilar. Moreover, the image of a shoeprint was considered not very distinctive. Therefore it was necessary to analyse the relevance of a possible conceptual similarity on the assessment of likelihood of confusion. The Opposition Division reasoned that the CTM application and the earlier trade marks seemed to relate to the same concept, namely the concept of a shoeprint. Therefore, there was a conceptual link between the signs. Even so, since both signs related to a very weak descriptive element, the OHIM considered their conceptual similarity of minor importance. Therefore, being the two marks visually dissimilar and the phonetic comparison not relevant in that case, the conclusion was that the two trade marks were not similar.

#### **4.2.4.3 Mere conceptual similarity hardly ever leads to confusion**

As we have seen, in the case discussed above,<sup>62</sup> the OHIM followed the general principle established by the the ECJ in *Sabel v Puma*, where the European Court held that the mere conceptual similarity alone is not always sufficient to lead to likelihood of confusion:

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<sup>60</sup> Case 335/1999, *Principles retail Ltd's application; opposition of Manifattura Lane Gaetano Marzotto & Figli SpA* [2000] ETMR 240.

<sup>61</sup> Case 165/2000, *Dr Martens International Trading GmbH's application; opposition of Lloyd Schuhfabrik Meyer & Co GmbH* [2000] ETMR 1151.

<sup>62</sup> *Ibid.*

“.....It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either per se or because of the reputation it enjoys with the public. However,...the mere fact that the two marks are conceptually similar is not sufficient to give rise to a likelihood of confusion. ... the mere association which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion within the meaning of that provision”.<sup>63</sup>

Another interesting and clarifying case where it is possible to see this kind of reasoning is *Dino*,<sup>64</sup> where the word mark DINOKIDS was not deemed to be similar to the prior German registration for the mark Dino, for identical and similar goods.



(earlier trade mark)

DINOKIDS

(CTM application)

After a careful analysis and comparison of the two trade marks, the Opposition Division held that the word “dino”, even if does not exist in the German language, can be easily understood as a shortening of the word “dinosaur”; moreover, the English word “kids” which is widely understood in Germany, refers to the same concept as the image of the baby dinosaur, namely to the image of babies or children. Therefore, from the conceptual point of view, the Opposition Division admitted that the trade marks were similar, since they referred to the concept of a dinosaur in connection with a baby image. However, considering the other criteria, risk of confusion was nevertheless denied, since the overall impression was that the trade marks were not similar.<sup>65</sup>

## 4.3 The dominant component

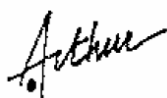
Another important element which must be taken into account in the determination of the similarity between trade marks, is the dominant component. When two trade marks share both similar and dissimilar features, they may be found to be similar where they have in common the dominant feature, but dissimilar where what they share is not the prevailing element.

<sup>63</sup> Case C-251/95, *SABEL v Puma* [1997] ECR I-6191, para 24, 25 and 26.

<sup>64</sup> Case B52037, Opposition Division Unit 6, [1999] E.T.M.R. 882.

<sup>65</sup> Wurtenberger, Gert, *Risk of confusion and criteria to determine the same in European Community trade mark law*, E.I.P.R., 2002, 24 (1).

An example of this circumstance is represented by the OHIM Board of Appeal's decision in *Arthur*,<sup>66</sup> where it was found that the two figurative marks for clothing were not similar.



Earlier trade mark registrations



CTM application

Unlike the Opposition Division, which considered that the word “Arthur” was the dominant feature of each mark, the Board of Appeal considered that the marks were “notably dissimilar” because the dominant feature of the mark on the right was the depiction of a waving cartoon figure, dressed in clothes and wearing glasses. The OHIM First Board of Appeal stated:

*“... On the other hand, what strikes the eye first and foremost when looking at the trade mark applied for is its highly distinctive and fanciful device element, a friendly ardvark wearing eye-glasses, in which the word ‘Arthur’ is just a secondary addition. Besides, this word is actually placed physically behind the device, a friendly figure which smiles and waves at any observer”.*<sup>67</sup>

This decision is understandable in relation to goods bought directly by the consumers in the shop; however, the outcome may be different if similar goods bearing the same name were bought, for example, over the phone; in such a situation there would probably be risk of confusion.

Another chance for the OHIM and the CFI to deal with the “dominant” issue was in *Fifties*.<sup>68</sup>



earlier trade mark registration

**FIFTIES**

CTM application

The case involved a CTM application for the trade mark FIFTIES covering denim clothing in class 25. The opposition was based on a Spanish trade mark registration for MISS FIFTIES and device in respect of several goods, including clothing. The opponent succeeded Before the OHIM's Opposition Division and the Appeal Board. In the Appeal Board's view the marks were

<sup>66</sup> Case R 433/2000-1, *Marc Brown's Trade Mark Application v LTJ Diffusion* [2001] [http://oami.eu.int/LegalDocs/BoA/2000/en/R0433\\_2000-1.pdf](http://oami.eu.int/LegalDocs/BoA/2000/en/R0433_2000-1.pdf)

<sup>67</sup> *Ibid.*, p. 5.

<sup>68</sup> Case T-104/01, *Oberhauser v OHIM* [2003] ETMR 739.

visually and phonetically dissimilar, but conceptually similar. The phrase “Miss Fifties” was found to be the dominant feature of the opponent’s mark. This was considered the aspect that would have been remembered and understood, the understanding being enhanced by the presence of a young woman in the earlier mark. This, according to the Board, would lead the average Spanish purchaser of clothing to think that FIFTIES denim clothing was sold by the same business as that responsible for MISS FIFTIES clothing. The applicant appealed to the CFI whose founding was that:

*“As regards, first, visual comparison, it is to be noted that the earlier mark is composed of a classic jeans label in shades of blue, pink and gold. The upper part of the label shows a group of men apparently fighting over a pair of jeans. All the men are wearing jeans. The middle part of the label contains the terms 'miss fifties' in fanciful white lettering on a pink background. The expression 'ECCELLENTE NELLA TRADIZIONE' appears in small black capital letters underneath. This part of the label is surrounded in part by a gold leaf pattern. The lower part of the label contains a young blond woman wearing purple jeans and a brown shirt. She is on tiptoe and appears surprised. The background comprises a light blue coat of arms displaying the words 'miss fifties' in red. The coat of arms incorporates two gold coins. The mark claimed is composed of the word 'Fifties'.”<sup>69</sup>*

The Court of First Instance came to the conclusion that the phrase “Miss Fifties”, repeated in the lower part of the label, was the predominant element of the earlier mark. According to the CFI, the other verbal component did not occupy a relevant position within the sign, since it was written below the words “Miss Fifties” and in smaller lettering; hence, it was secondary to the dominant element “Miss Fifties”. For those reasons the CFI dismissed the appeal.

## 4.4 Similarity of goods/services

Having considered in the previous paragraphs the question whether trade marks are identical or similar, it is now necessary to discuss the same issues in relation to goods and services. Trademarks, according to the Nice Agreement, are registered for goods in certain classes which have been established for purely administrative purposes. The classification of goods can not, therefore, be decisive for the question of similarity. Sometimes totally different goods are listed in the same class (computers, eyeglasses), while similar goods can clearly be listed in different classes. Article 8(1)(b) CTMR provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar. Therefore, in all cases it is necessary to adduce evidence of identity or similarity between the goods or services covered. It is also worth to add that even if two trade marks are identical, likelihood of confusion is unlikely to arise if the goods or services are very different.<sup>70</sup> Difficulties may arise when the goods or services complement each other, for instance, videotapes and video recorders. So

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<sup>69</sup> Ibid, para 35

<sup>70</sup> International Bureau of WIPO, *Introduction to Trademark Law & Practice*, 2<sup>nd</sup> edition, WIPO Pub. No. 653(E), 1993.

even though they cannot be said to be similar in nature, the fact that the goods/services “work” together will make them similar enough.

To oppose against the registration of a similar trade mark, first of all it must be shown that the goods or services of the defendant are identical to or similar to those in the specification of the registration.<sup>71</sup> In this regard the ECJ, in *Canon*<sup>72</sup>, had an opportunity, in relation to Article 4(1)(b) of the Directive (preventing registration of a mark where it conflicts with an earlier trade mark) to outline the criteria which have to be taken into account when assessing the similarity of goods or services:

*“It is, however, important to stress that, for the purposes of applying Article 4(1)(b), even where a mark is identical to another with a highly distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to Article 4(4)(a), which expressly refers to the situation in which the goods or services are not similar, Article 4(1)(b) provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their end users and their method of use and whether they are in competition with each other or are complementary”.*<sup>73</sup>

#### 4.4.1 Similarity between goods and services

In the assessment of similarity between goods and services it is necessary to take into account their intended purpose, their relevant distribution channels and retail outlets. A good example is given by the decision of the Opposition Division in *Campbell’s*.<sup>74</sup>

CAMPBELL’S



Earlier trade mark



CTM application

In the case was at issue the similarity between certain goods and certain services. The earlier trade mark registrations to be taken into account were registered for goods in classes 29 and 30, namely foodstuffs. The contested goods of the application could be described as services of providing food and drink, ready for consumption, such as restaurant, bar, cafeteria and

<sup>71</sup> Guy Tritton, *Intellectual Property In Europe*, 2<sup>nd</sup> edition, Sweet & Maxwell, chapter 3, 2002.

<sup>72</sup> C-39/97, *Canon Kabushiki Kaisha v. MGM Inc.* [1998] ECR I-5507.

<sup>73</sup> *Ibid*, paras 22 and 23.

<sup>74</sup> Case B-8104, *Campbell Catering Limited’s Trade Mark Application ; opposition of Campbells Soup Company* [2000] O.J. 1/2001, 157

caterings. Their main characteristic was the preparation and serving of the food and drink that was provided. Whereas catering services are usually provided in a different places from the one where the food and drink is prepared, the other services mentioned are provided in the place of preparation.

The Opposition division excluded an automatic similarity between foodstuffs and the services of preparing and serving food. As a matter of fact, even though the services for which the registration of the trade mark was sought consisted in providing food for direct consumption, and without a doubt foodstuffs is food, the Division observed that foodstuffs has to go through the process of preparation before being consumed. Next, it considered the distribution channels of the goods and services at issue, concluding that they were different, since foodstuffs are bought usually in supermarkets, while the services of providing food and drink ready for consumption are provided in restaurants, bars, cafès and the like or, in the case of catering, in private places. Another important observation was that in general, in this kind of services, it is not made any reference to the trade mark under which the food that is prepared and served is marketed. Therefore, taking into account the clear separation between the places where the goods and services were provided, the Opposition Division came to the conclusion that the services of the Community Trade Mark application were different from the goods of the earlier marks.

However, it has to be noticed that since an increasing importance is attributed to the character of goods and services not only as competing with each other but as complementary goods and services in the sense of a functional connection, similarity of goods and/or services may be found in spite of different production sites and separate trade channels or places where the services will be performed. There are certain areas of goods in which the trade mark of the finished product is mentioned in connection with mark of the semi-finished material or raw material. In those cases the raw or semi-finished product and the finished product are so close as to their economic significance that in these cases similarity of goods may arise.

The trade marks TEFLON or GORE-TEX can be taken as a good example; since often the good quality of a product depends on the quality of the raw or semi-finished material, it is a quality sign for a pan to bear the trade mark TEFLON and for outdoor clothes to have the trade mark GORE-TEX which is the name of a special kind of textile material known for its water-proof characteristics. Accordingly, in those cases, the raw material will be mentioned in connection with the finished product, since it is important to the consumer to know with regard to the finished product that it has been made from “Gore-Tex” material, or, in the case of pans, from “Teflon” material. Similar considerations may apply with regard to the similarities between goods and services.<sup>75</sup>

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<sup>75</sup> Wurtenberger, Gert, *Risk of confusion and criteria to determine the same in European Community trade mark law*, E.I.P.R., 2002, 24 (1)

## 4.5 Completing the global appreciation: the distinctive character

Trade marks are usually perceived in their entirety and not analysed in details; therefore, the degree of their distinctiveness greatly influences the final decision of whether or not there is likelihood of confusion.<sup>76</sup>

In the CTMR<sup>77</sup> the term “distinctiveness” is found in Article 7(1)(b), which states that the trademark cannot be registered if it is devoid of any distinctive character; this criterion is applied in a very wide sense.<sup>78</sup>

A mark’s distinctiveness influences its scope of protection; thereafter, the more distinctive the earlier mark, the greater will be the likelihood of confusion. A mark with a highly distinctive character enjoys a broader protection than a mark with a less distinctive character; the degree of distinctiveness results either from inherent characteristic or from the recognition the mark possesses among the public. It follows that there may be a likelihood of confusion, notwithstanding a lesser degree of similarity between the trade marks, if the goods or services covered by them are very similar and the earlier mark is highly distinctive.

In its decision in *Windsurfing Chiemsee*<sup>79</sup> the ECJ has given some indications on how to determine whether a mark is highly distinctive; first of all it must be considered that distinctiveness refers to the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other business. In making that appraisal one should take into account, in particular, the following elements: the inherent characteristics of the mark, such as elements descriptive of the goods or services for which it has been registered; the market share held by the mark; the intensity, geographical spread and the period of time the mark has been used; the amount invested by the undertaking in promoting the mark; the proportion of the relevant public which identifies the goods or services as originating from a particular undertaking because of that particular mark; moreover, statements from the chambers of commerce and industry and professional associations are very useful.<sup>80</sup> therefore it is not possible to state in general terms, for example by referring to given percentages relating to the degree of recognition attained by the mark within the relevant section of the public, when a mark has a sufficient distinctive character.

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<sup>76</sup> Ibid.

<sup>77</sup> Council Reg. No./94 on the Community Trade Mark, [1994] O.J. L 11/1 [1995] O.J. O.H.I.M. 50; [1995] O.J. O.H.I.M. 511.

<sup>78</sup> L. Bentley & B. Sherman, *Intellectual Property Law*, 2<sup>nd</sup> ed., Oxford University Press, 2004.

<sup>79</sup> joined Cases C-108/97 and C-109/97, *Windsurfing Chiemsee Produktions- und Vertriebs GmbH v. Boots- und Segel-zubehör Walter Huber and Frank Attenberger* [1999] E.T.M.R. 585, at para 51.

<sup>80</sup> Ibid.



A wider scope of protection is enjoyed by highly distinctive trade marks regardless of the possibility that they can be more easily distinguished from other denominations because of consumers' increased degree of awareness of them. It is obligation of the opponent or the plaintiff, both in opposition and infringement proceedings, to claim and prove the scope of protection of its trade mark.

The ECJ had the chance to discuss in-depth the importance of distinctiveness in *Sabel v Puma*, where, at paragraph 24, noted that the more distinctive the earlier mark, the greater will be the likelihood of confusion; the Court added that, where the earlier mark has a particularly distinctive character, it is possible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion. The ECJ repeated the concept also in *Canon*, at paragraph 18, observing once again that marks with a highly distinctive character enjoy broader protection than marks with a less distinctive character. However, it must be observed, as stated by the ECJ in *Marca Mode v Adidas*,<sup>81</sup> where the influence of a particularly distinctive character on the risk of confusion was the main issue, that even though marks with a highly distinctive character enjoy broader protection than marks with a less distinctive character, despite a lesser degree of similarity between the goods or services covered, likelihood confusion can not be presumed, but has to be proved.

#### 4.5.1 Some lesson from the OHIM

Some guidance on the evaluation of the distinctiveness of a trade mark in relation to the risk of confusion may be found also in several OHIM's decisions. In *Moto/Motor*,<sup>82</sup> the Board of Appeal, according to the ECJ case law in *Lloyd Schuhfabrik*, *Canon* and *Windsurfing Chiemsee*, considered necessary in order to determine the distinctive character of a mark and in assessing the degree of its distinctiveness, to make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it had been registered as coming from a particular undertaking, and thus to distinguish those goods and services from those of other undertakings. The Board of Appeal continued saying, with reference to the comments of the European Court of Justice in its *Lloyd* decision, that:

*“in making that assessment account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it had been registered, and of the recognition in the market, such as the market share held by the mark, how intensive, geographically widespread and long standing use of the mark has been, the amount invested by the undertaking in promoting the mark, the proportion of the relevant section of public which, because of the mark, identifies the goods or*

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<sup>81</sup> Case C-425/98, *Marca Mode CV v. Adidas AG and Adidas*, Benelux BV [2000] E.T.M.R. 723.

<sup>82</sup> *Moto/Motor*, R260/1999-3 O.J. 10/2000, 1379.

*services as originating from a particular undertaking and statements from chambers of commerce and industry or other trade and professional associations”*.<sup>83</sup>

The owner of the trade mark MOTOR, opposed the appellant’s application for the word mark MOTO for similar goods. The assessment of the distinctiveness of the opponent’s trade mark rested on the distinctiveness *per se* of that mark, since the opponent did not claim that its trade mark was distinctive by virtue of use or reputation. While the CTM application consisted only of the word “moto”, the earlier trade mark consisted of a white square background with black borders and the word “jeans”.

However, the Board found that those additional elements were not distinctive, and the average Spanish (the earlier mark was registered in Spain) public would simply focus on the word ‘motor’ since it was the decisive element. Undoubtedly the word “motor” gives to a trade mark for jeans an highly distinctive character; therefore, taking into account the distinctive element and the fact that the applicant’s trade mark MOTO was very similar to the opponent’s earlier trade mark MOTOR, the Board of Appeal concluded that the relevant Spanish public would likely confuse the two marks or make a connection between the proprietors of those marks and confuse them.

#### 4.5.1.1 The “Diesel” decision

According to the CFI a mark consisting of a term that is in no sense descriptive of the goods it covers is inherently distinctive and therefore strong. In *Diesel*<sup>84</sup> a community trademark application for a figurative mark consisting of the word Dieselit was opposed by the owner of both a Community and a national Italian registration for the word DIESEL. The Community application DIESELIT designated “flat irons” in class 7, “steam irons” in class 11 and “ironing boards” in class 21. The earlier mark DIESEL was registered for all goods in classes 7, 11 and 21.

**DIESELIT**

Trade mark application

**Diesel**

earlier trade mark

The opposition was upheld first by the Opposition Division, and later by the Board of Appeal, of the Office for Harmonization in the Internal Market. The Board considered that having regard to the intrinsic nature of the earlier mark and to the high degree of similarity between the marks, as well as to the identity or similarity of part of the goods, there was a likelihood of confusion between the two marks. The case was referred to the Court of

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<sup>83</sup> Ibid, para 22.

<sup>84</sup> Case T-186/02, BMI Bertollo Srl v Office for Harmonisation in the Internal Market, [2004] ECR.

First Instance.<sup>85</sup> The applicant's main argument was that the mark DIESEL, contrary to the findings of the Board, did not possess a particularly high degree of distinctiveness in relation to the goods it covered. The Board, according to the applicant, should have considered the descriptive scope of the DIESEL sign for goods in classes 7, 11 and 21 which include “motors and engines”, “machine coupling and transmission components”, “agricultural implements” and “apparatus for lighting, steam generating, water supply”, and should have accepted that there is a lexical connection or descriptive connotation for those goods. A descriptive mark being a weak mark, it is not entitled to exclusive and complete protection where variants or amendments relating to a term of common use are added to the sign in question, as with the DIESELIT sign.

On 30 June 2004 , the CFI dismissed the action. The CFI observed that the assessment of the extent of the distinctiveness of the DIESEL sign must be carried out having regard to the goods which form the basis of the opposition, all of which were covered by the earlier mark. It was therefore sufficient to assess distinctiveness having regard only to “flat irons”, “steam irons” and “ironing boards” claimed by the applicant, and unnecessary to consider the other goods covered by the earlier mark. Since the term “diesel”, which means a fuel or a type of engine, was not in any sense descriptive of “flat irons”, “stem irons” and “ironing boards”, the CFI agreed with the reasoning of the Board that the DIESEL mark, applied to the goods in question, was an inherently distinctive and strong mark, and there was accordingly a likelihood of confusion even when variants and alterations were made which allowed the substantial identity of that mark to remain, as with the DIESELIT sign.

Accordingly, looking at those judgments it is clear that the distinctiveness of a trade mark plays a crucial role in assessing its scope of protection.<sup>86</sup>

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<sup>85</sup> Ibid.

<sup>86</sup> Hedvig K.S. Schmidt, *Likelihood of Confusion in Trade Mark law, Where Are We Now*, E.I.P.R. 2002, 24(10).

# 5 Likelihood of association

## 5.1 Not an easy question

To complete the picture of the likelihood of confusion, it is now necessary to discuss the likelihood of association, since this concept is present both in the Directive and the Regulation. The terminology “likelihood of association” has its origin in the pre-harmonization Benelux law,<sup>87</sup> which used a concept of “resemblance of marks” rather than “likelihood of confusion”. The Directive and the Regulation, instead of the term “resemblance” uses the words “likelihood of association”.

Under Benelux Trade Mark Law, the criterion “risk of confusion” was not applied. Risk of association was the relevant infringement criterion.<sup>88</sup> For example the Dutch supreme court had to rule on a case<sup>89</sup> involving the famous trade mark MONOPOLY. In a game that showed some similarity with the Monopoly game, but was totally anti-capitalistic, the trade mark ANTI-MONOPOLY was used. It could be argued that in this case there was no risk of confusion because anti-monopoly is the opposite of monopoly. However, according to the likelihood of association-concept in the Benelux, the simple fact that the public when seeing or hearing “anti-monopoly” would think of “monopoly” is sufficient to result in a trade mark infringement.<sup>90</sup>

Differently from the formulation of the rights conferred by a trade mark under article 16 of TRIPs Agreement, which protects trade mark owners only against a “likelihood of confusion”, the Directive 89/104 and the CTM Regulation, go further: they qualify the term “likelihood of confusion” by adding the words “which includes a likelihood of association”.<sup>91</sup> In former tests of proposals for both the Directive and the Regulation the conflict criterion was much more restrictive. Words like “serious risk of confusion” were used and one could also find the principle that the only function of a trade-mark is to guarantee the trademark as an indication of origin.

The inclusion of the words “likelihood of association” in the Directive and the regulation is the result of negotiations with the Benelux countries which took a strong position because of the fear that, by having only “likelihood of confusion”, the protection of marks in the Benelux would be diminished. It

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<sup>87</sup> Old Uniform Benelux Trade Mark Law, Art. 13A.

<sup>88</sup> Eva-Marina Bastian, *Il Marchio Celebre nel Diritto Europeo dei Marchi e nella Giurisprudenza della Corte di Giustizia Europea*, in *Studi di Diritto Industriale in Onore di Adriano Vanzetti, Proprietà Intellettuale e Concorrenza*, Giuffrè Editore Milano, Volume 1, 2004.

<sup>89</sup> Decision of June 24, 1977, [1978] N.J. 83.

<sup>90</sup> Isabel M. Davies, *European Trade Mark Litigation Handbook*, Sweet & Maxwell's, chapter 4, 1998.

<sup>91</sup> Council Directive 89/104, Arts 4.1, 5.1; Council Regulation 40/94, Arts 8.1, 9.1.

was in fact the result of pressure from the Dutch delegation that the infringement criteria in the proposed Directive were broadened in comparison with earlier drafts. The Dutch delegation underlined the important progress that had been made in the field of trade mark law in the Benelux on the basis of the Benelux Trade Mark Act as interpreted by the Benelux court. The Benelux countries feared that if risk of confusion as to origin would be the standard for infringement, protection in the Benelux would decrease. As result of the negotiations between the member states the words “likelihood of association” have been included in the Directive and Regulation.

The meaning of “likelihood of association” is not very clear, at least regarding its use in the Directive and Regulation. At the beginning of the texts of the Directive and the Regulation there are some consideration which refer to the risk of association; for example, in the considerations of the Regulation it is said:

*“Whereas the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trademark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trademark and the sign and between the goods or services identified, constitutes the specific conditions for such protection”.*

This does not explain the notion of likelihood of association. Since, as it was said above, the words “likelihood of association” originate from the Benelux, it is useful to consider how this concept was interpreted under Benelux law and what it meant there. According to Benelux case law, likelihood of association may arise in three situation:

a) first of all when there is confusion between the mark and the sign themselves; in other words, the risk that one takes one sign for the other (likelihood of direct confusion). At one extreme, these are the counterfeiting cases where even experts may have a hard time distinguishing the genuine from the imitation. These cases also involve similar packaging or names that are likely to cause a person to mistake one product or service for that of another; b) the second situation arises when, notwithstanding the fact that the mark and the sign as such will not be confused, it can be assumed, on the basis of the resemblance of the mark and the sign, that there is some kind of relationship between the proprietor or user of the mark and the user of the sign, for example, relations such as a licensing, merchandising, franchising agreement or a relation of sponsorship (likelihood of indirect confusion or association); c) the third circumstance is where, subconsciously, the perception of a sign provokes the recollection of the earlier mark (likelihood of association in strict sense).<sup>92</sup>

One of the way to prove likelihood of association is to show that, due to the actual use of the two trade marks, relevant consumers will be led to believe that the goods of the respective competitors have some common origin, or that one set of goods represents an extension of the product lines of the

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<sup>92</sup> Charles Gielen, *Likelihood of Association: what does it mean?*, [1996] EIPR-105.

other. For example, in *Baker*,<sup>93</sup> notwithstanding the fact that Spanish consumers would have been able to distinguish TED BAKER clothing from that of CLAUDIA BAKER, it was possible that they view the former as a men's line related to the latter's women's clothing brand. The Opposition Division stated that:

*“According to the seventh recital of the CTMR the appreciation of the likelihood of confusion... depends on numerous elements and, in particular, on the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified...”*<sup>94</sup>

In this case both marks contained the word “baker”, but they also contained other words, which to some extent made the marks different. However, the Opposition Division considered that it was possible that consumers could think that the products sold under the two trade marks had a common origin. The Office concluded that there was a likelihood of confusion between the CTM application TED BAKER and the earlier mark CLAUDIA BAKER, for the contested goods which were identical to the opponent's goods, on the part of the public in the Spain, where the earlier mark were protected.

## **5.2 Mere association without confusion: is it enough?**

Neither the meaning of the sentence “likelihood of confusion which includes likelihood of association” was clear before the ECJ, in *Sabel v Puma*, clarified that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope:

*“In that connection, it is to be remembered that Article 4(1)(b) of the Directive is designed to apply only if, by reason of the identity or similarity both of the marks and of the goods or services which they designate, 'there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark'. It follows from that wording that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope. The terms of the provision itself exclude its application where there is no likelihood of confusion on the part of the public. The tenth recital in the preamble to the Directive, according to which 'the likelihood of confusion ... constitutes the specific condition for such protection', also confirms that interpretation”*<sup>95</sup>

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<sup>93</sup> Case B-36170, *No Ordinary Designer Label Ltd v Commercial Fenicia de Exportación SL* [2002] ETMR 527.

<sup>94</sup> *Ibid.*

<sup>95</sup> Case C-251/95, *Sabel v Puma* [1997] ECR I-6191, paras. 18 and 19.

Therefore, according to the European Court of Justice, the mere association is not a criterion for infringement, which has to be assessed on the basis of likelihood of confusion.<sup>96</sup>

Another chance for the ECJ to come back on this issue, was in *Adidas v Marca Mode*,<sup>97</sup> where the Hoge Raad der Nederlanden made a reference for a preliminary ruling asking whether, in the case of a trade mark which was as particularly distinctive as that Adidas three-stripe emblem, it would be sufficient to prove in infringement proceedings that the likelihood of association was so great that a likelihood of confusion, even if it could not actually be proved, could not be ruled out either. The ECJ answered this question in the negative: a likelihood of confusion must be proved since it cannot be presumed from a likelihood of association alone.

This decision is not of great help for the understanding of the role of the likelihood of association. The use of the word “including” suggests that association is a species of confusion. In every day language the word “association” means something wider than confusion. According to the ECJ the “association” serves to “define the scope of confusion”, but it is not so easily understandable how this really works.<sup>98</sup>

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<sup>96</sup> Guy Tritton, *Intellectual Property In Europe*, 2<sup>nd</sup> edition, Sweet & Maxwell, chapter 3, 2002.

<sup>97</sup> Case C-425/98, *Marca Mode CV v Adidas AG and Adidas Benelux BV*. [2000] ECR I-4861.

<sup>98</sup> Jeremy Phillips, *Trade Mark Law, A Practical Anatomy*, Oxford University Press, chapter 10, 2003.

# 6 The broader protection for trade mark with reputation

## 6.1 The reputation test

The last part of this work deals with the protection accorded to trade marks notwithstanding the absence of any similarity between goods/services. According to Article 8(5) of the Community Trade Mark Regulation, upon opposition, a sign will not be registered as a CTM if it is identical or similar to an earlier trade mark which has a reputation in the Community or in a Member State, and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered for. In order for the registration to be refused, it will also be necessary to show that the use without due cause of the CTM applied for would take unfair advantage of, or be detrimental to, the distinctive character or the reputation of the earlier trade mark.<sup>99</sup> Whether or not registration and use of the later mark would take unfair advantage of the earlier mark or be detrimental to its distinctive character or repute must be determined on objective grounds. The applicant's intention is secondary. "Due cause" may be found where the marks in question have been coexisting for some time.<sup>100</sup>

In its *Chevy* judgment,<sup>101</sup> the ECJ indicated what is meant by an earlier trade mark with a reputation:

*"first condition implies a certain degree of knowledge of the earlier trade mark among the public. It is only where there is sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non similar products or services, and that the earlier trade mark may consequently be damaged"*.<sup>102</sup>

First of all the Court said that it cannot be inferred that the trade mark must be known by a given percentage of the public so defined. The ECJ went on stating that the relevant public, when trying to establish the necessary reputation, is determined by the goods or services marketed under the earlier trade mark. Thus, this could be the public at large or a more specialised public, such as traders in a particular sector. A sufficient degree of knowledge of the earlier trade mark is reached once it is known to a significant part of the relevant public. What constitutes "a significant part" must be determined on a case by case basis and not by reference to defined

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<sup>99</sup> Art. 8 (5), Council Reg. No./94 on the Community Trade Mark, [1994] O.J. L 11/1 [1995] O.J. O.H.I.M. 50; [1995] O.J. O.H.I.M. 511.

<sup>100</sup> Isabel M. Davies, *European Trade Mark Litigation Handbook*, Sweet & Maxwell, chapter 4, 1998

<sup>101</sup> C-375/97, *General Motors Corporation v. Yplon SA* [1999] ECR I-5421.

<sup>102</sup> *Ibid.*, para. 23.



percentages.<sup>103</sup> When deciding whether a sufficient degree of knowledge has been reached, all the relevant factors must be taken into account, such as the market share held by the earlier trade mark, the level of use of the earlier trade mark, the geographical area of use, the length of use of the earlier trade mark and the level of spending in advertising and promoting the earlier trade mark. The stronger the reputation of the earlier trade mark, the easier it will be to accept that it has been detrimentally affected by the later trade mark. The Court concluded saying that the necessary reputation required under the Directive's Article 5(2) was achieved in the Benelux if such reputation existed among a significant proportion of the public concerned in a substantial part of one of the three Benelux countries.

It seems clear from this case that the level of fame or notoriety required to establish that a trade mark has a reputation in the European Union is not as high as that required to show that a mark is well-known. It is generally recognized that "well-known" status should be accorded to a very limited number of trade marks, such as KODAK, COCA COLA, ADIDAS and NIKE, which are internationally well-known and immediately recognised by a substantial proportion of, at least, the industrialised world's population. It appears from *Chevy* that the threshold for establishing that a mark has a reputation is lower than the "well-known" test. Thus, marks that are known to only a limited audience, according to the test set by the European Court of Justice, may be considered having a reputation.

## 6.2 The "Hollywood" star did not shine

However, getting through the reputation test is not sufficient in order to get the broader protection accorded by Art. 8(5) of the Regulation, since the earlier trade mark's owner, in addition to the reputation, has the burden of proving the unfair advantage or the detrimental effect. A striking example comes from the OHIM decision in the *Hollywood* case.<sup>104</sup> The two conflicting signs, comprising exactly the same word, HOLLYWOOD, were identical. The opponent claimed that its HOLLYWOOD trade mark, apart from the reputation it had in France, within the meaning of Article 8(5) of the Regulation, evoked among consumers an image of dynamism, youth, health and vitality. According to the opponent, this image of freshness and well-being risks were debased by the opposed trade mark, which designated tobacco products, these products being inherently damaging to health. The principal objection of the opponent arose from the detriment of the image of its mark. According to the OHIM the opponent proved that its trade mark had a reputation in France, but this was not sufficient also to show that its trade mark was recognised by consumers as image of health, dynamism and youth

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<sup>103</sup> Cesare Galli, *La Protezione del Marchio oltre il Limite del Pericolo di Confusione*, in Segni e Forme Distintive la Nuova Disciplina, Giuffrè Editore, 2001.

<sup>104</sup> Case R 283/1999-3, *Hollywood SAS v Souza Cruz SA* [2002] ETMR 705.

The opponent has based its arguments relating to the debasement of its mark on that image of well-being alone and not merely on its reputation. Since chewing-gum as such cannot be regarded as a product directly related to health, vitality and human well-being, the Office considered that the opponent did not prove the existence of such an image. For the Office the opponent did not succeed in proving that its HOLLYWOOD trade mark for chewing-gum was identified by consumers as being synonymous with health, vitality and well-being, the image on which the concept of debasement is founded. Therefore, without proving that kind of image conveyed by the mark, potential detrimental effects on the latter could not be assessed.

To conclude, a CTM cannot be required to have a reputation throughout the territory of the European Union, being sufficient for it to exist in a substantial part of it.<sup>105</sup>

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<sup>105</sup> Eric Gastinel and Mark Milford, *The Legal Aspects of the Community Trade Mark*, Kluwer Law International, chapter 1, 2001.

# 7 Conclusions

The study of the case law has shown that it is not easy to apply the concepts of identity, similarity, confusion and association in individual cases.

The analysis of the likelihood of confusion concept necessitates a global appreciation; several factors have to be taken into account when assessing similarity between trade marks and the probable risk of confusion; each element has to be first analysed separately, and then together with the others, in a sort of balancing exercise, bearing in mind the distinctive and dominant component. Usually, visual similarity is the element which prevails over the others; however, this has to be assessed on a case by case basis. In general, mere conceptual similarity does not lead to likelihood of confusion, except in cases where the earlier mark has a strong distinctive character.

From the decisions of the ECJ, CFI and OHIM, it follows that European trade mark law is not designed to prevent everyone from being confused. Likelihood of confusion is, in fact, determined taking into consideration a reasonably observant and prudent consumer, and depends on several factors. When expert consumers are involved, the standard becomes the “reasonably prudent expert consumer.” When women buy female products, one should consider the “reasonably prudent woman.” All this is certainly true: the relevant public has to be identified. But one has to keep in mind that there are cases where it is not possible to make a differentiation between categories of trade marks addresses, since sometimes the relevant public consists of different kind of buyers. In those situations the likelihood of confusion has to be evaluated on the basis of the least sophisticated consumer.

The application of the law involving likelihood of confusion inevitably brings tension between the trademark owner’s right and the conflicting right of competitors when there is no deception. A too extended application of the principle of likelihood of confusion is not desirable, since it would be detrimental for companies, which would have more limited choices, and also for consumers, since the application of the law would go beyond the scope of furthering the interests of the public in avoiding confusion.

However, notwithstanding some criticizable decisions, in the last years the case law within the European Union has been marked out, in general, by common sense and consistency. The level of coherence in the decisions of the OHIM and of the CFI, has increased also thanks to the principles established by the European Court of Justice. This is bringing trade mark law towards a higher degree of legal certainty, absolutely necessary in this “complex” field.

Trade mark is one of the most valuable assets for competing undertakings, and therefore a stable and predictable application of trade mark law is definitely welcomed both by trade marks owners and their competitors. An even more balanced application of the likelihood of confusion principle by the European Courts and by the OHIM, will fully protect the legitimate interests of owners, competitors and the public.

Finally, a last comment on the distinctiveness and the reputation of trade marks. According to the decisions of the European Courts and of the OHIM, the stronger trademarks may receive a greater protection. The ECJ has stated several times that “*the more distinctive the earlier mark, the greater the risk of confusion*” (see *Sabel v Puma*). This might be quite arguable, since well-known trademarks already are clearly recognisable due to consumer awareness; therefore it would not be completely wrong rephrasing the sentence “*the more distinctive the earlier mark, the greater the risk of confusion*” into “*the higher the degree of recognition of a mark, the lower the risk for confusion to arise*”.

However, it is important to point out that even in the case of highly distinctive trade marks, the risk of confusion has to be showed by the opponent. In relation to this last point, especially regarding trade marks with a reputation, there is some kind of oddness in European trade mark law, resulting both by its wording and its application in case law.

Looking at the first paragraph of Art. 8 of the Regulation, one may notice that protection is accorded to trade marks when the goods or services are similar; moreover, mere association to the earlier trade mark is not a sufficient ground of protection for the earlier trade mark, since it is necessary to show that part of the relevant public will probably be confused in relation to the products themselves or as to their origin (*Sabel v Puma* and *Marca Mode Adidas*).

If one proceeds to analyse paragraph 5 of the same Article, he will notice that when goods/services are dissimilar, protection can be granted to a trade mark with a reputation, when a later identical or similar trade mark, without due cause, would take unfair advantage or be detrimental (presumably by virtue of an association), to the distinctive character or the repute of the earlier trade mark.

Following these provisions and the European case law, one could come to a conclusion which is quite bizarre: marks with a reputation enjoy a lesser protection in cases where a similar or identical trade mark is applied to identical or similar goods/services, rather than when it is applied to dissimilar goods/services! I will try to explain this better: in the first case (similar goods/services), supposing that the new trade mark applied for would take an unfair advantage or be detrimental to the earlier trade mark, the owner of the trade mark with reputation should prove not only an association to its trade mark and the unfair advantage or detrimental use, but also a likelihood of confusion. On the contrary, in the second situation

(dissimilar goods/services), the owner of the trade mark of repute should prove “only” two things: 1) the association to its trade mark and 2) the unfair advantage/detrimental use, not being required likelihood of confusion.

Therefore, in case of dissimilar goods/services, the owner of a trade mark with reputation does not need to show that consumer will be confused! This seems quite strange, since it would be more fair and logical to give this kind of protection to a trade mark with reputation also in cases of similarity of goods/services; but from the wording of the regulation it seems that a trade mark with reputation in case of similarity of goods/services has an additional burden of proof: the risk of confusion. It is true that, as already said, when a trade mark is highly distinctive the risk of confusion is more likely to arise; however, according to case law, even when a trade mark is very distinctive, such as the three stripes of Adidas, the ECJ said that likelihood of confusion could not be implied but had to be shown.

Supposing that Marca Mode t-shirts, using a sign similar to the one of Adidas, but not confusingly similar, were of a bad quality, it may happen that a person which have been a Marca Mode consumer for one time, when seeing Adidas t-shirts may recall to the memory the bad experience he had with Marca Mode and decide not to buy Adidas goods; but since the goods sold by the two companies are identical, no protection to Adidas is provided. On the contrary, in case Marca Mode bad quality products were washing machines, Adidas would probably get protection.

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