The concept of the likelihood of confusion under the Regulation on the Community trade mark

- **the application by the Polish Community trade mark court of the jurisprudence of the Court of Justice of the European Union.**

Master Thesis

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Introduction

In December 1993, the Council of the European Union adopted Regulation 40/94[1] (currently Regulation 207/2009[2], as repealed) on the Community trade mark (" Regulation") with the view of establishing a uniform system of trade mark registration and enforcement valid across the European Union. The Regulation supplements and unifies the trade mark system harmonized by the Directive 89/104 to approximate the laws of the Member States relating to trade marks[3] (currently Directive 2008/95, as amended[4]), (" Directive").

The Directive and the Regulation introduced the concept of the likelihood of confusion - a legal notion relevant for the valid registration of a mark and the protection against infringement of already registered trade mark. However, the Directive and the Regulation do not provide a legal definition of the concept of the risk of confusion; they are merely specifying certain criteria that contribute to the determination of the likelihood of confusion. Accordingly, article 9.1.b) of the Regulation provides that the proprietor of a registered trade mark is entitled to prevent third parties from using, in the course of trade, any sign which is identical or similar to the trade mark registered by him, provided that there exists identity or similarity of products covered by the trade mark and the sign and that it leads to a likelihood of confusion on the part of the public. Additionally, Recital 7 of the Regulation provides that the likelihood of confusion depends on the numerous elements, such as "recognition of the trade mark on the market, association which can be made with the used or registered trade mark and the sign, the degree of similarity between the trade mark and the sign and between the goods and services identified". It follows that the notion of the likelihood of confusion is a central concept relevant for the assessment of the trade mark infringement and therefore, in-depth understanding of this concept is vital for the protection of Community trade marks ("CTM") by the Community

[1] Council Regulation 40/94 of 20 December 1993 on the Community trade mark, OJ L 11, 14.1.1994, p. 1

[2] Council Regulation 207/2009 of 26 February 2009 on the Community trade mark , OJ L 078 , 24/03/2009 p. 0001 – 0042

[3] First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, OJ L 40, 11.2.1989, p. 1–7

[4] Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Codified version), OJ L 299, 8.11.2008, p. 25–33

trade mark courts ("CTM courts") - national courts introduced by the Regulation, whose function is to guarantee the effective protection of CTMs.

However, one must keep in mind that the Regulation and the Directive indicate a non-exhaustive list of factors for the appreciation of the likelihood of confusion. Moreover, neither Regulation nor other legally binding legislative acts provide any formal guidance as to the understanding of the concept of the risk of confusion and as to the interpretation of elements that contribute to the finding of the likelihood of confusion.

This may lead to substantial disparities in the application of the CTM law between CTM courts in different Member States – a situation apparently incompatible with the aim of the Regulation and the main principles of the European Union, where the consistency of the application of the EU law in all Member States is manifestly underlined. According to the White Paper on European Governance, the coherence of the actions of the EU institutions and national authorities must be safeguarded in order to avoid contradictive decisions which would undermine the effectiveness of the EU legal order[5].

Therefore, in order to ensure the consistent interpretation of the EU trade mark law, the CTM courts, while deciding cases in connection with CTM infringements, should rely on the case-law of the Court of Justice of the European Union ("Court of Justice of the EU") in order to identify and interpret the conditions which contribute to the existence of the likelihood of confusion. Moreover, important for the thorough understanding of the concept of the likelihood of confusion is also the practice of the Office for Harmonization in the Internal Market ("OHIM", "Office"). It is therefore significant, for the purpose of achieving the objectives of the European Union, that all Member States apply the CTM law uniformly and interpret the concept of the likelihood of confusion in the same way as proposed by the Court of Justice of the EU in its jurisprudence.

In my research, by the way of analyzing the case-law of the Court of Justice of the EU, the OHIM and selected judgments of the Polish Community trade mark court (" Polish CTM court"), I will try to examine whether the Polish CTM court follows the case-law of the Court of Justice of the EU on the concept of the likelihood of confusion. This knowledge is essential in order to

[5] White paper on European Governance, p. 10, available at:
http://eur-lex.europa.eu/LexUriServ/site/en/com/2001/com2001_0428en01.pdf

examine whether the correct application of the CTM law is ensured in Poland with regard to the notion of the risk of confusion.

In the first chapter I will briefly present the history of the CTM legislation, the definition and functions of trade marks.

Second chapter will be devoted to the examination of the factors which, according to the practice of the Court of Justice of the EU and the OHIM, are identified and interpreted as main elements contributing to the finding of the likelihood of confusion.

In the third chapter, I will select relevant judgments of the Polish CTM court and will analyze its reasoning in order to examine whether the Polish CTM court follows the line of interpretation developed by the Court of Justice of the EU with regard to the concept of the likelihood of confusion.

Finally, I will present the conclusions and recommendations.

Chapter 1: The Community trade mark system.

1.1. The Regulation on the Community trade mark.

1.1.1. A look into the historic facts.

The first draft of the European trade mark law - the Convention for the European trade mark ("the Convention") - came in 1964. The Convention was drafted as the answer for the Commission's initiative, rooting back in 1959, to create in the European Union a harmonized, unitary and autonomous system of Intellectual Property law supplementing already existing national laws.[6] Moreover, the idea of establishing a uniform trade mark law was explicitly corresponding with the main priorities and aims of the European Communities, as specified in the preamble to the Rome Treaty – the removal of existing obstacles in order to guarantee steady expansion and balanced trade.[7]

Subsequently, by the end of 1980, the Harmonization Directive and the Regulation on the Community Trade Mark were drafted. However, in the view of the problems surrounding the choice of working languages and the location of the Community Trade Mark Office, the idea of introducing the Regulation was temporarily abandoned and consequently the decision to adopt the Directive first was taken. The Directive "aimed at harmonizing those provisions in national law which are most likely to impede the free movement of goods within the Community."[8] However, it did not seek to achieve the full harmonization of trade mark law. Therefore it was left for the discretion of each Member State to set forth procedures concerning the registration, enforcement, invalidity and revocation of trade marks.

[6] Ch. Gielen, "Harmonization of trade mark law in Europe: the first trade mark harmonization directive of the European Council", European Intellectual Property Review, 1992, 14(8), p. 264

[7] Preamble to the Treaty Establishing the European Economic Community of 27 March 1957, available at http://ec.europa.eu/economy_finance/emu_history/documents/treaties/rometreaty2.pdf

[8] Eric P. Raciti, "The harmonization of Trade mark in the European Community", Journal of the Patent and Trademark Office Society, (1996) Vol. 78, Issue 1, p. 55

Since "the barrier of the territoriality of the rights conferred on the proprietors of trade marks by the laws of the Member States could not be removed by the approximation of laws"[9], it became necessary to introduce the second step in the Community trade mark integration – the adoption of the Regulation, that would allow for the creation of the Community-wide trade mark protection. Eventually, the Regulation on the Community trade mark was adopted on December 20th, 1993[10], after almost 13 years of negotiations.

1.1.2 The main features of the Regulation and the role of the Community trade mark courts.

Over time, the Regulation was amended several times, lately on February 26th, 2009. Therefore, the provisions of the Council Regulation 207/2009 on the Community trade mark, as lately repealed,[11] will be the subject of this research. It is important to underline that both instruments, the Regulation and the Directive, are legal measures constituting a harmonized and unified trade mark system valid in all Member States. Therefore, they share many common attributes and contain corresponding provisions which are either of great similarity, or identical in their wording. The identity of the provisions of those two legal acts applies, *inter alia*, to the concept of the likelihood of confusion, namely in reference to the two following issues: the grounds for refusal of the registration and the conditions for the protection against the infringement of the CTM. The resemblance of the relevant provisions of the Directive and the Regulation is represented in the table contained in Appendix I. Besides their similar wording, the articles of the Directive and of the Regulation referring to the likelihood of confusion share a similar function in the meaning that they ensure the coherence of the trade mark protection system across the European Union. For those reasons the legal literature and the case-law concerning Directive's provisions dealing with the risk of confusion is also relevant for the

[9] Preamble to the Council Regulation 40/94 of 20 December 1993 on the Community trade mark, OJ L 11, 14.1.1994, p. 1

[10] Council Regulation 40/90 of 20 December 1993 on the Community trade mark, OJ L 11, 14.1.1994, p. 1

[11] Council Regulation 207/2009 of 26 February 2009 on the Community trade mark , OJ L 078 , 24/03/2009 p. 0001 – 0042

interpretation of provisions contained in the Regulation. Therefore, throughout this research, I will refer to the legal studies and the case-law concerning both instruments: the Directive and the Regulation.

The Regulation introduces a new system of trade mark protection – the trade marks governed by a uniform EU law directly applicable in all Member States. Accordingly, the Regulation creates "one procedural system, whereby undertakings can obtain CTMs to which uniform protection is given and which produce their effects throughout the entire area of the [European Union]"[12]. However, the national trade marks continue to exist alongside the CTMs for those undertakings who do not wish to have their trade marks protected on the EU level. The Regulation establishes an Office for Harmonization in the Internal Market – a legally autonomous agency of the European Union which exercises powers conferred to it by the Regulation, namely registration, opposition, revocation, invalidation and appeal procedure.

Article 95 of the Regulation obliges all Member States to designate in their respective territories a limited number of national courts of the first and second instance – CTM courts, which are required to fulfill obligations and functions assigned to them by the Regulation. As far as Poland is concerned, it has appointed one CTM court - District Court in Warsaw, XXII Division of Community Trade Marks and Industrial Designs - which started operating on June 17th ,2004. The CTM courts have exclusive jurisdiction in cases concerning, *inter alia*, all infringement actions, actions for declaration of non-infringement, counterclaims for revocation or declaration of invalidity[13]. The jurisdiction of CTM courts extends, with few exceptions[14], to the entire area of the European Union, as it was recently confirmed by the ruling of the Court of Justice ("the Court", "ECJ") in *DHL.*[15] Moreover, according to article 267 of the Treaty on Functioning of the European Union[16] ("TFEU"), CTM courts may refer to the Court of Justice for the preliminary ruling in order to ensure conformity and proper interpretation of the

[12] Ibid.
[13] Article 96 of the Regulation
[14] See: article 98 para. 2 of the Regulation
[15] Case C-235/09, *DHL Express (France) SAS v Chronopost SA*, [2011] ECR 0000, para. 50
[16] Treaty on the Functioning of the European Union, Official Journal of the European Union, Official Journal C 83 of 30.3.2010*C 83*

Regulation's provisions. So far, Polish CTM court has not referred any case to the Court of Justice.

Summing up, the Regulation established a uniform system of trade mark registration and application enforceable across the European Union. For the purpose of protecting the trade mark rights effectively throughout the entire territory of the European Union, the Regulation established a two-fold system of the jurisdiction. As Advocate General Cruz Villalón rightly noticed "on the one hand, the OHIM, from whose decisions an appeal may lie to the General Court and, ultimately, the Court of Justice, decides disputes between private parties and the administration responsible for registering [CTMs]. On the other hand, the 'CTM courts' […] decide disputes between private parties [concerning the infringement of the CTMs]. In the context of that system, the national courts act as special courts of the European Union."[17]

1.2. The definition of the trade marks and their functions.

In the light of Recital 2 of the Regulation "[…] trade marks enable the products and services of undertakings to be distinguished by the identical means throughout the entire Community."[18] According to article 4 of the Regulation " […] a trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings." In other words, a trade mark may consist of any distinctive feature given that this feature can be represented graphically. Only a mark fulfilling this requirement can be registered by the OHIM and consequently have a legal effect in all 27 Member States. Finally, only marks registered in accordance with the conditions contained in the Regulation can be referred to as Community trade marks.[19]

[17] Opinion of AG Villalón, delivered on 7 October 2010 in Case C-235/09 DHL Express (France) SAS v Chronopost SA, [2011]

[18] Council Regulation (EC) No 40/90 of 20 December 1993 on the Community trade mark , OJ L 11, 14.1.1994, p. 1

[19] Council Regulation 207/2009 of 26 February 2009 on the Community trade mark , OJ L 078 , 24/03/2009 p. 0001 – 0042, article 1

Trade marks have three substantial functions.[20] Firstly, according to Recital 8 of the Regulation, "the function of [the CTM] is to guarantee the trade mark as an indication of [trade] origin". The "origin function", strongly underlined by the Court in its case-law, is closely linked with the concept of the likelihood of confusion. As the Court stressed out in its ruling in *Hoffmann-La Roche* "the essential function of the trade mark […] is to guarantee the identity of the origin of the trade-marked products to the consumer or ultimate user, by enabling him without any possibility of confusion to distinguish that product from products which have another origin."[21] In a subsequent judgment, the Court of Justice expressly stated that "the risk that the public might believe that goods and services in question come from the same undertaking or, as the case may be, from economically linked undertakings, constitutes a likelihood of confusion".[22] It follows that in order to find the risk of confusion between two marks, the breach of origin function must be established in the first place. Secondly, in its ruling in *Hag II* the Court of Justice stressed out another function of the trade marks, namely the guarantee of the consistent quality of goods bearing the trade marks. In this decision the Court stated that a trade mark "must offer a guarantee that all goods bearing it have been produced under the control of a single undertaking which is accountable for their quality"[23]. Finally, the third function of the trade marks is the publicity function, whereby the trade mark serves as a form of communication to the public and a basis for publicity and advertising.[24]

[20] David C. Wilkinson, "The Community Trade Mark Regulation and its role in European economic integration", The Trademark Reporter, (1990) Vol. 80, Issue 2, p. 109
[21] Case C-102/77, *Hoffmann-La Roche & Co. AG v Centrafarm Vertriebsgesellschaft Pharmazeutischer Erzeugnisse mbH*, [1978] ECR 1139, para. 7
[22] Case C-39/97*, Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.,* [1998] ECR I-5507, para. 29
[23] Case C-10/89, *SA CNL-SUCAL NV v HAG GF AG*, [1990] ECR I-3711, para. 13
[24] What is a trade mark?, available at: http://oami.europa.eu/ows/rw/pages/CTM/trademark.en.do

Chapter 2: Factors that contribute to the formation of the likelihood of confusion - the interpretation by the Court of Justice of the European Union and the Office for Harmonization in the Internal Market.

2.1. Likelihood of confusion – general remarks.

The notion of the likelihood of confusion fulfills a very significant role in the CTM system since the existence of the risk of confusion constitutes not only a requirement for a refusal of trade mark registration (article 8.1b) of the Regulation) but, more importantly for the subject-matter of this research, it is a precondition for the infringement of trade mark rights, as regulated under article 9.1.b) of the Regulation. However, since there exists no legal definition of the concept of the likelihood of confusion, well understanding, in-depth comprehension and uniform interpretation of factors that create likelihood of confusion is essential for the CTM courts in order to determine the infringement of the CTM rights. As it was already mentioned, the Regulation indicates a non-exhaustive list of factors that contribute to the finding of the likelihood of confusion, namely the degree of similarity between an infringed trade mark and an infringing sign, the degree of similarity of goods/services covered by those marks, the degree of distinctiveness of a trade mark, the opinion of the relevant public, the recognition of the trade mark on the market and the likelihood of association between a trade mark and a sign. Moreover, other factors, not expressly specified in the Regulation, may be also significant to assess the existence of the likelihood of confusion. Only a proper examination and adequate assessment of all above specified factors may lead to the finding of the likelihood of confusion and therefore to the correct determination of the CTM infringement under article 9.1.b) of the Regulation. In the following sections the interpretation of above terms, as introduced by the Court of Justice of the EU and the OHIM, will be discussed. However, the question arises as to the relevance of the practice of those institutions for the purpose of my research.

The significance of the case-law of the Court of Justice of the EU follows from article 19 of the Treaty on the European Union[25] ("TEU"). According to this provision, the Court of Justice of the EU should ensure that the interpretation and the application of the European Union law is observed. The Court of Justice carries out this competence by, *inter alia*, delivering preliminary rulings concerning the validity and interpretation of "acts of institutions, bodies, offices or agencies of the Union"[26]. Therefore, the scope of this article covers the interpretation by the Court of the Directive, the Regulation and acts of the OHIM. In the latter case, according to article 65 of the Regulation, "actions may be brought before the Court of Justice against decisions of the Boards of Appeal of the OHIM". Therefore, since the decisions of the Court of Justice of the EU play a fundamental role in orientating the interpretation and application of the trade marks in the European Union[27] and thus ensure a uniform comprehension of main concepts of the trade mark system, the analysis of the case-law of the Court of Justice and the General Court will be the focus of this research.

The choice of examination of the relevant decisions of the OHIM is underpinned by the very nature of the Office's competences, namely carrying out CTM registration, opposition and cancellation procedures. The extensive practice of the OHIM with respect to the concept of the likelihood of confusion is based on the interpretation of article 8.1.b) of the Regulation. It is important to notice that article 8.1.b) and article 9.1.b) of the Regulation are identical in their wording and complementary in a sense that whereas article 8.1.b) ensures that only marks which do not cause the formation of the likelihood of confusion may be registered by the Office, the article 9.1.b) additionally safeguards that already validly registered trade mark may be protected against use of a third party's mark, if this use causes a likelihood of confusion. For this reason the examination of the practice of the OHIM will be relevant for determining the meaning of the likelihood of confusion as a precondition for the infringement of the CTM.

[25] Consolidated version of the Treaty on European Union, Official Journal C 83 of 30.3.2010
[26] Consolidated version of the Treaty on the Functioning of the European Union, article 267 para. 1 (b)
[27] Pier Luigi Roncaglia, Giulio Enrico Sironi, "Trademark functions and protected interests in the decisions of the European Court of Justice", Trademark Reporter, Vol. 101, Issue 1 (January-February 2011), p. 147

2.2. Infringement of trade mark rights regardless of the likelihood of confusion.

Although the majority of CTM infringement cases is based on article 9.1.b) of the Regulation which explicitly stipulates the existence of the likelihood of confusion as being an essential condition for the determination of trade mark infringement[28], the are two specific cases where the CTM infringement can be established regardless of the risk of confusion.

The first case is regulated under article 9.1.a) of the Regulation. This provision refers to the situation where a sign, identical to the CTM, is used for goods or services the same to those, for which the CTM is registered. The protection in case of identity is absolute and means that it is not conditional on the existence of likelihood of confusion, since the risk of confusion is obvious from the point of view of an average consumer. In other words, there is a presumption of confusion in the sense that the confusion exists by the way of legal fiction.[29]

According to the case-law of the Court of Justice, a sign is identical to the trade mark when "it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer."[30]

With regard to the identity of goods and services, "[they] are considered to be identical where the goods or services covered by the earlier trade mark include the goods or services covered by the later trade mark."[31] Moreover, the practice of the OHIM shows that the comparison of goods or services must be based on the wording indicated in the registration, in a sense that the intended use of the goods, not stipulated in the specification, is not relevant for the

[28] T. Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kulwer Law International 2010, Chapter 8, p. 270

[29] T. Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kulwer Law International 2010, Chapter 8, p. 254

[30] Case C-291/00, *LTJ Diffusion SA v Sadas Vertbaudet SA*, [2003] ECR I-2799, para. 54

[31] Study on the Overall Functioning of the European Trade Mark System, Max Planck Institute for Intellectual Property and Competition Law, Munich, 15.02.2011, p. 96; available at: http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf

examination of the identity.[32] Also, the meaning of the goods/services in question must be determined. In that regard, goods registered as *bicycles* will be identical to goods registered as *cycles*. On the other hand, the meaning and wording of *belts, being articles of clothing* will exclude by definition the identity of *safety or industrial belts*.[33]
Consequently, if the identity of marks and goods/services is established, protection of the trade mark should be afforded regardless of the likelihood of confusion.

The other case concerns the extended protection (protection against dilution) granted to CTMs which enjoy a reputation. In the light of article 9.1.c) of the Regulation, even in the absence of the likelihood of confusion, infringement of the CTM can be established if the following conditions are met cumulatively: a registered CTM has a reputation in the Member State concerned, a sign of the third person is similar or identical to the CTM, it is used in relation to the goods and services which are not similar to those for which the CTM is registered, the use of the sign takes unfair advantage of, or is detrimental to the distinctive character or reputation of the earlier trade mark and the use of the sign is without due cause. In *General Motors v. Yplon*[34] the Court of Justice clarified the above conditions, by stating that in order for a trade mark to have a reputation "it must be known by a significant part of the public concerned by the products or services covered by that trade mark" [35] and that "the degree of this knowledge must be determined by taking into account all relevant facts of the case , in particular the market share held by the trade mark, the intensity, the geographical extend, the duration of its use, and the size of the investment made by the undertaking in promoting it."[36] With regard to the geographical scope it is sufficient for the trade mark with a reputation to acquire this status in the substantial part of the territory of one Member State.[37]
As Turner-Kerr correctly notices, the protection afforded to the trade marks with a reputation fulfills different purpose than the protection of trade mark based on the condition of the

[32] OHIM Opposition guidelines, Part 2, Chapter 1: Identity, p. 8
[33] OHIM Opposition guidelines, Part 2, Chapter 1: Identity, p. 8
[34] Case C-375/97, General Motors Corporation v Yplon SA, [1999] ECR I-05421
[35] Idid., para 26
[36] Ibid., paras 25 and 27
[37] Idid., para 28

likelihood of confusion[38]. The former gives the CTM courts the possibility to grant greater protection to trade marks which have a reputation even where the goods or services are dissimilar, whereas the latter is designed to accord protection to guarantee a trade mark as indication of origin in the case of similar goods or services.[39] However, as the Court of Justice stated recently in its ruling *Davidoff v. Gofkid,* the protection of the trade marks with reputation applies also to the goods and services which are similar.[40] This controversial judgment has broadened even more the protection afforded to the marks with repute and at the same time has made significantly vague the distinction between the application of article 9.1.b) and 9.1.c) of the Regulation. The Advocate General correctly pointed out in his opinion that "the broader interpretation of article [9.1.c.] would blur the clear outlines of the protection afforded by the [Regulation], which is based essentially on the existence of a likelihood of confusion, by allowing in certain circumstances a concurrent or alternative protection based on other criteria and thus entailing legal uncertainty."[41] However, the Court apparently disregarded this observation and ruled the contrary, extending the anti-dilution law to the detriment of the clear and transparent application of the CTM law. The Max Planck Study has recommended that article 9.1.c) of the Regulation should be amended in order to express that the extended protection is granted also for similar goods/services.[42]

Notwithstanding, "from the [current] wording of article 9.1.c) it is clear that, unlike article 9.1.b), the test thereunder is not the one of <the confusion> but one of <the unfair advantage> or <detriment>".[43] Therefore, the trade marks which acquired reputation are afforded a stronger protection, whereby instead of assessing the risk of confusion "it is sufficient for the public to be able to draw, between the trade mark enjoying reputation and the third party's

[38] Peter M. Turner Kerr, "Confusion or association under the European Trade mark Directive", European Intellectual Property Review, (2001) 23 (1), p. 52

[39] Peter M. Turner Kerr, "Confusion or association under the European Trade mark Directive", European Intellectual Property Review, (2001) 23 (1), p. 51

[40] Case C- 292/00, Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd, [2003] ECR I 0389, para. 30

[41] Opinion of Mr Advocate General Jacobs delivered on 21 March 2002 in case C- 292/00, Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd, [2003] ECR I 0389, para. 55

[42] Study on the Overall Functioning of the European Trade Mark System, Max Planck Institute for Intellectual Property and Competition Law, Munich, 15.02.2011, p. 107 - 108

[43] Peter M. Turner Kerr, "Confusion or association under the European Trade mark Directive", European Intellectual Property Review, (2001) 23 (1), p. 51

sign, a mental link that can result in unfair advantage or detriment for the distinctive character or the repute of the trade mark."[44]

2.3. Factors that contribute to the formation of the likelihood of confusion under article 9.1.b) of the Regulation.

In the light of article 9.1.b) of the Regulation, the following elements must be taken into account: the similarity of goods or services, the similarity and distinctiveness of marks, the opinion of the relevant part of the public and the likelihood of association. In the following paragraphs, I will focus on the examination of those concepts.

2.3.1. Similarity of goods or services.

The concept of the similarity of goods or services has been addressed and broadly discussed by the Court of Justice in *Canon.*[45] In this ruling the Court confirmed that the similarity between the infringing and infringed goods or services is an indispensable condition for the assessment of the risk of confusion. It stated that "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."[46] This line of interpretation is applied also in the practice of the OHIM, whereby even the finding of the identity of signs is always followed by the examination of the similarity of goods or services covered by those signs.[47] In *Canon* the Court referred to the "origin function" of trade marks by stating that in order to establish the likelihood of confusion, the connection between goods or services covered by the marks must

[44] Pier Luigi Roncaglia, Giulio Enrico Sironi, "Trademark functions and protected interests in the decisions of the European Court of Justice", Trademark Reporter, (2011) Vol. 101, Issue 1, p. 171
[45] Case C- 39/97, Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc., formerly Pathe Communications Corporation, [1998] ECR I-5507
[46] Ibidem, para. 22
[47] See: Decision No 1466/1999 (FLORIDA SUN/FLORIDA SUN), Decision No 795/1999-1 (ALLEGRO/Allegro); all case-law of the OHIM available at http://oami.europa.eu/ows/rw/pages/CTM/caseLaw/decisionsOffice.en.do

be capable of suggesting that they come from the same or economically linked undertakings.[48] Consequently, the Court concluded that "in assessing the similarity of the goods or services concerned […] all the relevant factors relating to those goods or services should be taken into account. Those factors include, *inter alia*, a nature of the goods/services concerned, their [purpose of use] and their method of use and whether they are in competition with each other or complementary."[49] The term "*inter alia*" indicates that the list of factors is non-exhaustive and that there may be other elements, which will depend on the special circumstances of each case, like for instance the channels of distribution of goods or their placement in the same points of sale. Those factors will be examined below.

Due to the limits of this research and complexity of the problem relating to the similarity of goods and services, the examination of the case-law of the Court of Justice of the EU and the OHIM will be focused mainly on the assessment of the similarity between goods. However, it is important to point out that, in principle, similar factors as for comparing goods are relevant for the comparison of services.

2.3.1.1. Nice Classification.

The Regulation requires that the application for the registration of the CTM must include a list of goods/services covered by the trade mark applied for. According to the Implementing Regulation[50] ("IR"), the OHIM utilizes for that purpose the Nice Classification[51] - a system introduced by the World Intellectual Property Organization, which divides all registrable goods and services into 45 classes.[52] However, the mere fact that goods or services in question

[48] OHIM Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, B. Similarity of goods and services, p. 6
[49] Canon case C- 39/97, para. 23
[50] Commission Regulation 2868/95 of 13 December 1995 implementing Council Regulation (EC) No. 40/94 on the Community trade mark, OJ L 303, 15.12.1995, p. 1–32
[51] The Nice Agreement concerning the IC of Goods and Services (as revised and amended), available at http://www.wipo.int/treaties/en/classification/nice/trtdocs_wo019.html.

[52] R. Ashmead, "International Classification class headings: illustrative or exemplary? The scope of European Union registrations", Journal of Intellectual Property Law & Practice *(2007) 2(2), p. 82*

are listed in the same class of the Nice Classification, does not automatically indicate that they are similar. This position was confirmed in numerous decisions of the Office.[53]

2.3.1.2. Nature of goods or services.

The practice of the Court of Justice of the EU and the OHIM shows that there are numerous criteria of goods or services that may be useful for identifying their nature, for instance their composition, functioning principle or appearance.[54] The General Court referred to the nature of the products in *Castillo*[55] where it was to compare a *cheese* and a *condensed milk*. The General Court took a look at the composition of the goods in question and noticed that the raw material for *cheese* and *condensed milk* was milk and therefore those goods had to be classified as milk products belonging to the same product family. Subsequently, it stated that "the relevant public is aware of the products' essential characteristics [made out of milk], which pertains to their nature and therefore […] the public naturally has the impression that the products concerned may have the same commercial origin."[56] In *ALLADIN*[57] the General Court was to compare *products for polishing metals* and *products for cleaning waste pipes for the metal working industry*. The General Court noticed that the goods in question were similar in their nature as both of them "contain chemical agents applied to metal surfaces."[58] In case *CHATELDON/CHATELDON*[59] the Opposition Division ("OD") was to compare *red table wine* with *mineral waters and other non-alcoholic drinks, fruit drinks and syrups*. In regard to the nature of those products, the OD stated that because the former one was an alcoholic drink produced by the fermenting of grapes with water and sugar and the latter was a non-alcoholic beverage, those two products had a different nature, although they both fell under the broad category of drinks.

[53] Look: Decision No 371/1999 TAMRON/AMRON
[54] Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, B. Similarity of goods and services, p. 13
[55] Case T-85/02, Pedro Díaz, SA v Office for Harmonisation in the Internal Market, [2003] I-4835
[56] Ididem, para. 33
[57] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861
[58] Ibidem, para. 83
[59] Decision No 1117/1999 (CHATELDON/CHATELDON)

2.3.1.3. Purpose of goods or services.

The term "purpose" refers to an intended use of the goods/services (not to an ancillary use) and is an important factor as the intentional use is the easiest way for a customer to identify and distinguish goods or services on the market.[60] Whereas in *Castillo* the General Court found similarity between *cheese* and *condensed milk* regarding their nature, the Court did not find similarity between those goods with regard to their indented purpose. With that respect, the General Court stated that "the fact that both products may be used as cooking ingredients is a characteristic which they share with virtually all foodstuffs"[61] and therefore it may be not enough to establish risk of confusion. In *CHANDELON/CHANDELON* the OD examined also the purpose of the goods in question and observed that the non-alcoholic drinks "are consumed in larger quantities than red wine, which is mainly consumed for its taste and bouquet. Furthermore, non-alcoholic beverages, […] contrary to red wine, are kept at much lower temperatures and are frequently served with ice cubes". Therefore the OD concluded that, in regard of their purpose, those goods were not similar. In *CUCINA&Co/ LA CUCINA* [62] a *cutlery* was to be compared with *bottle openers, butter dishes, trays, oil cruets, hand operated shakers, lemon squeezers*[63]*,* etc. In respect to the afore-mentioned goods, the OD noticed and the Board of Appeal ("BA") subsequently confirmed that although they have a different nature, in fact they may serve the same purpose as "they are all implements that are normally used to carry out activities related to household purpose, […] they are normally found in the kitchen […] and used in combination during the various meals of the day […] and therefore they are considered similar."[64]

The latter decision seems to be incoherent with the preceding observations and also controversial from the point of view of the average consumer, as it equates *cutlery* with, for instance, *bottle openers*. The lack of consistency in the decision making of the OHIM has been

[60] OHIM Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, B. Similarity of goods and services, p. 18
[61] Castillo case -85/02, para. 34
[62] Decision No 478/2001-3 (CUCINA&Co/LA CUCINA), para. 34
[63] The whole list of the products contained in class 21 in Decision CUCINA&Co/LA CUCINA at para. 35
[64] Decision No 478/2001-3 (CUCINA&Co/LA CUCINA),

subject to wide criticism[65]. To solve this problem, the OHIM has recently developed a database for comparison of goods and services in order to help examiners to take more coherent decisions.[66] The database became operational in December 2009 and will be made available to the public. I believe that this will increase the protection and uniform application of trade mark rights as the users will be able to predict the attitude of the Office to the particular comparison of goods and services. In order to safeguard the coherency and to ensure a better predictability of the decisions, there could be also developed a system of precedents whereby the Office examiners would be bound by the decisions of the BA and the earlier decisions by other examiners, as suggested by the Max Planck Institute. [67]

2.3.1.4. Method of use.

The method of use determines the way in which goods are used in order to achieve their purpose. The practice of the OHIM shows that "method of use often follows directly from the nature and purpose and thus is usually not very important factor."[68] However, the *ALADDIN* case proved that the method of use may be an important factor in determining the similarity of goods if it applies directly to the characteristics of the goods in question (*products for polishing metals* and *products for cleaning waste pipes for the metal working industry).* The General Court stated that despite their similar nature, goods in question had different method of use since the former one was "intended to be rubbed on metallic objects to make them shine, and thus have a partially aesthetic purpose"[69] whereas the latter was "intended to be poured into

[65] OHIM's Database for Comparison of Goods and Services, available at: http://www.marques.org/downloads/DatabaseforcomparisonofGoodsandServices.pdf
[66] OHIM's Database for Comparison of Goods and Services, available at: http://www.marques.org/downloads/DatabaseforcomparisonofGoodsandServices.pdf
[67] Study on the Overall Functioning of the European Trade Mark System, Max Planck Institute for Intellectual Property and Competition Law, Munich, 15.02.2011, p.108; available at: http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf
[68] OHIM Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, B. Similarity of goods and services, p. 21
[69] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para 85

waste pipes to dissolve metallic deposits in order to clean and unblock waste from the metal-working industry."[70]

2.3.1.5. Goods or services in competition.

Goods are in competition "when they are offered to the same group of customers who may choose to substitute one or the other for the same purpose, so when they are economically interchangeable."[71] In *Castillo* the General Court ruled that *cheese* and *condensed milk* are not in competition since those products are consumed in different ways and therefore are distinct from the point of view of nutrition and taste which means that they can hardly be used as substitutes.[72] Moreover, the General Court added that it seems extremely unlikely that those products may substitute one another since the parties failed to cite even a few food preparations in which they may be used as alternatives or cumulatively.[73] Also in *ALADDIN* the OD did not find that goods in question were in competition. In its decision, the OD stated that the goods compared cannot be considered interchangeable or in competition with each other as "they neither may be substituted for the other to attain the same result nor to cover the same kind of need."[74]

2.3.1.6. Complementary goods or services.

Goods are complementary when there is a close connection between them, in a sense that one is indispensable or significant for the use of the other and therefore customers may think they are produced by the same undertaking.[75] In *Castillo* the General Court ruled that *cheese* and *condensed milk* are complementary since from the point of view of the relevant

[70] Ibidem
[71] OHIM Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, B. Similarity of goods and services, p. 26
[72] Castillo case -85/02, para. 35
[73] Castillo case -85/02, para. 34
[74] Decision No 456/2002 (ALADDIN/ALADIN), p. 7; This line of reasoning was subsequently approved by the Board of Appeal and the General Court in case Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 82-86
[75] OHIM Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, B. Similarity of goods and services, p. 22

public they belong to the same product family and can be easily regarded as components of a general range of milk products capable of having common commercial origin.[76] To the contrary, in *ALADDIN* the OD found out that *products for polishing metals* and *products for cleaning waste pipes for the metal working industry* cannot be complementary since "it is neither easy nor customary to polish the outer surface of waste pipes, which is usually integrated in the structure of the buildings."[77] This founding of the OD was subsequently upheld by the General Court.[78]

2.3.1.7. Distribution channels and sales outlets.

As the practice of the OHIM and the Court of Justice of the EU shows, if the goods are available to customers through the same distribution channels or via the same sales outlets, consumers are more likely to presume that those goods come from the same, or economically linked undertakings. In *CHANDELON/CHANDELON* the OD found that both products in question, namely *red, table wine* and *mineral waters, fruit drinks and syrups* are to be found in the same supermarkets and grocers' shops, however very rarely in the same areas in these outlets. Moreover, the OD noticed that there are special sales outlets designated only for wine, like wine cellars, where non-alcoholic beverages are not sold. Finally, in regard to distribution channel, the OD observed that it is unusual for winegrowers to also manufacture mineral waters, fruit juices or other non-alcoholic beverages, and therefore it is uncommon to find a wine sold under the same trade mark as non-alcoholic drinks[79].

2.3.1.8. Interdependence of factors.

As the examination of the case-law shows, the Court of Justice and the OHIM make a very detailed and extensive examination of each of the factors stipulated above. Moreover, all

[76] Castillo case -85/02, para. 36
[77] Decision No 456/2002 (ALADDIN/ALADIN), p 7
[78] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 82-86
[79] Decision No 1117/1999 (CHATELDON/CHATELDON), p. 5

the aforementioned elements must be taken into consideration by the CTM courts when dealing with cases under article 9.1.b) of the Regulation in order to establish whether goods/services are similar. However, one has to keep in mind that those factors do not have the same value for all cases; the weight of each element will always depend on the factual situation and the circumstances of an individual case. However, "factors clearly suggesting that the goods or services come from the same undertaking should take precedence over factors that seem to have only a secondary bearing."[80] The practice of the OHIM and the Court of Justice of the EU shows that the nature and purpose of goods/services are usually ranked as strong factors, contrary to weaker elements like the method of use or distribution channels[81]. Therefore, if after having examined and balanced all the relevant factors and evidences furnished by the parties, the CTM court comes to the conclusion that the relevant public will assume the same origin to compared goods, those products must be considered similar. Subsequently, the CTM courts must assess the degree of similarity. As J. Palm correctly points out "it always must be determined whether the similarity of goods is of close or remote degree."[82] This approach is clearly seen in *ALADDIN* where the General Court, after having examined all relevant factors came into the conclusion that *products for polishing metals* and *products for cleaning waste pipes for the metal working* industry were "similar in part."[83] Likewise, in *Castillo* the Court eventually concluded that *cheese* and *condensed milk* were similar since relevant public might perceive them as having common commercial origin. [84]

2.3.2. Similarity of marks.

A similarity of signs is a necessary, next to the similarity of goods/services, condition for the determination of the likelihood of confusion under article 9.1.b) of the Regulation. However, as the practice of the OHIM shows, in a situation when a trade mark and a sign are

[80] Ibidem p. 51
[81] Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, B. Similarity of goods and services, p. 52
[82] J. Palm, "Canon, Waterford… how isse of similarity of goods should be determined in the field of trade mark law", European Intellectual Property Review, (2007) 29(12), p. 477
[83] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 86
[84] Castillo caseT -85/02, para. 38

clearly dissimilar, the discussion of the similarity of goods and services and subsequent assessment of the likelihood of confusion should be skipped. [85] Moreover, when assessing the marks in question, the CTM court should always compare them in the form in which they are protected, namely in the form they are registered.

In *Sabel* [86] the Court of Justice ruled that the disputed marks must be assessed globally, taking into account their "visual, aural and conceptual similarity"[87]. Moreover, the CTM courts must base its appreciation on "an overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components".[88] However, one must keep in mind that a cumulative approach is not required in this situation. On the contrary, the General Court in *Kiap Mou* [89] noticed that "two marks are similar when, from the point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects"[90]. Likewise in *Lloyd* [91] the Court of Justice ruled that "it is possible that a mere aural similarity could lead to likelihood of confusion".[92] Similarly, in *Sabel* the Court observed that "the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity […] may give rise to the likelihood of confusion where the earlier mark has a particularly distinctive character."[93] Moreover, the General Court noticed in *NL Sport*[94] that "the visual, aural and conceptual aspects of the [disputed] signs do not always have the same weight. It is appropriate to examine the objective conditions under which the trade marks may be present on the market."[95] In that regard the General Court went on to observe that if the goods are usually sold in the self-service stores where the consumers have the opportunity to choose the products themselves, the visual similarity between the signs will be of greater importance. On the contrary, if the product is sold orally (i.e. when the mark is pronounced

[85] Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, C. Similarity of signs, p. 3
[86] Case C-251/95, SABEL BV v Puma AG, Rudolf Dassler Sport, [1997] ECR I-6191
[87] Idid., para 23
[88] Ibidem
[89] Case T-286/02, Oriental Kitchen SARL v Office for Harmonisation in the Internal Market, [2003] ECR II-4953
[90] Ibidem, para. 38
[91] Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819
[92] Ibidem, para. 28
[93] Case C-251/95, SABEL BV v Puma AG, Rudolf Dassler Sport, [1997] ECR I-6191, para. 27
[94] Case T-117/03, New Look Ltd v Office for Harmonisation in the Internal Market, [2004] II-3471
[95] Ibidem, para 49

while the product is marketed), a greater weight will be attached to the aural similarity.[96] Therefore, as J. Phillips rightly points out, in order to assess the degree of similarity between the marks concerned, "the [CTM] court must determine the degree of visual, aural or conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements, taking into account the category of goods or services in question and the circumstances in which they are marketed."[97]

2.3.2.1. Visual similarity.

A visual comparison is essentially important in regard to the figurative and word marks and with respect to products which are bought by the customers "on sight."[98] In *NLSport* the General Court had to compare the two following figurative marks:

 and NLSPORT

both of them registered for the identical goods, namely *clothing for women and girls*. The General Court found that the letter combination NL constitutes the dominant visual element of both signs and therefore when compared visually there is "a slight similarity" between the marks, especially if one takes into account the fact that for clothes buyers the visual comparison is significantly more important than the aural one. [99]

With regard to figurative marks in color, the practice of the OHIM shows that "the use of the same color pattern may increase the visual similarity. […] However, the exact effect of color pattern must be assessed individually in each case, since it depends very much on the impact of the color on the overall impression of the signs involved."[100]

Also with respect to the word marks, the visual comparison plays a significant role. However, one must keep in mind that in the word marks, the word as such is protected and not

[96] Ibidem
[97] J. Phillips, "Strong marks and likelihood of confusion in European law", Jurnal of Intellectual Property Law and Practice, (2006) 1960, p. 391
[98] T. Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kluwer Law International 2010, Chapter 8, p. 276
[99] Case T-117/03, New Look Ltd v Office for Harmonisation in the Internal Market, [2004] II-3471, para. 28-32
[100] Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, C. Similarity of signs, p. 11

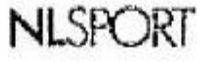
its graphical representation. Therefore "for the word marks, the visual comparison is based on an analysis of the number and sequence of the letters, the number of words [and] the existence of special letters or accents."[101] This approach is clearly seen in HOOLIGAN case[102] where the General Court was to compare two word marks: *OLLY GAN* and *HOOLIGAN,* both registered for, *inter alia*, clothing items. After a very detailed examination of the marks (including observations that the former mark consists of two words, "beginning with an 'o' and containing a double 'l' and a 'y'"[103], whereas the latter "is made up of a single word, beginning with a 'h' and containing a double 'o' and an 'i'"[104]), the General Court stated that those two marks possessed significant visual differences. On the contrary, in *ALADDIN*, where the General Court had to also compare two word marks, namely ALADDIN and Aladin, it came to the conclusion that those marks are visually very similar, since "given that the signs at issue are purely word marks, there is nothing to distinguish between them, apart from the very minor differences in their spelling."[105]

In *MYSTERY*[106] the General Court was to compare the figurative mark  with the word mark *MIXERY*, both intended, i*nter alia*, for non-alcoholic beers. The General Court observed that "visually […] it is quite clear that the two signs may be readily distinguished by their graphic form, particularly because the sign *MYSTERY* is presented in a figurative form including, in particular, a stylized capital 'M'".[107]

2.3.2.2. Aural similarity.

An aural (phonetic) similarity plays a very important role where the products covered by the sign are sold orally. In *NL Sport,* the General Court observed that the oral

[101] Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, C. Similarity of signs, p. 10
[102] Case T-57/03, Société provençale d'achat et de gestion (SPAG) SA v Office for Harmonisation in the Internal Market, 920050 ECR II-0287
[103] Case T-57/03, Société provençale d'achat et de gestion (SPAG) SA v Office for Harmonisation in the Internal Market, 920050 ECR II-0287, para 56
[104] Ibidem
[105] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 87
[106] Case T-99/01, Mystery drinks GmbH v Office for Harmonisation in the Internal Market, [2003] II-0043
[107] Case T-99/01, Mystery drinks GmbH v Office for Harmonisation in the Internal Market, [2003] II-0043, para. 44

communication in clothes shops between the customer and sales staff cannot be excluded and therefore aural similarity should be given a certain degree of importance. Subsequently, it observed that "the letter combination 'NL' (which in both marks will be pronounced 'N-L') constitutes the dominant phonetic element of this signs"[108], namely  and 

. The Court concluded that the fact that the sign, comprising the former mark, is wholly incorporated in the dominant element of the latter one justifies the conclusion that there is a significant phonetic similarity. This was also a case in *Castillo*, where the General Court was to compare the marks *El Castillo* and *Castillo* and found that since the word *Castillo* was the main component of the word mark *El Castillo,* they were both pronounced "almost identically."[109] In *MYSTERY* the General Court observed that when comparing the words *Mystery* and *Mixery,* it is important to have a due regard to the rules of pronunciation of English, by which the word *Mystery* is inspired. Subsequently, the Court ruled that the common features in the dominant elements of both marks prevailed phonetically by comparison with the differences and therefore the signs were similar phonetically, especially if one compares the pronunciation of the words as a whole.[110] In *ALADDIN* the General Court agreed with the interpretation of the BA, by which the word marks ALADDIN and Aladin were found phonetically similar since the doubling of the 'D' does not change the aspect of their phonetics.[111]

The element of aural similarity may cause certain interpretation problems for the CTM courts due to the fact that there are many languages spoken in the EU, each of them having its own pronunciation and spelling rules. The question arises as to how and on the basis of which criteria the CTM should compare the word marks expressed in foreign language. The question was partially dealt with in *HOOLIGAN* where the General Court found that it is difficult to establish with certainty how the average consumer will pronounce a word from a foreign

[108] Case T-117/03, New Look Ltd v Office for Harmonisation in the Internal Market, [2004] II-3471, para. 34 and 36
[109] Castillo caseT -85/02, para. 40
[110] Case T-99/01, Mystery drinks GmbH v Office for Harmonisation in the Internal Market, [2003] II-0043, para. 45 and 46
[111] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 87 and the Decision of the Fourth board of Appeal of 31 january 2003

language in its own language [112] and that dictionaries may be taken into consideration as they provide indication of the correct pronunciation of the word in question in the host language. [113]

2.3.2.3. Conceptual similarity.

A trade mark and a sign are conceptually identical or similar if they have the same or similar semantic content, the same linguistic meaning or when they can invoke a similar image. This is clearly seen in *ALADDIN*, where the General Court stated that the marks ALADDIN and Aladin are conceptually similar since they evoke a character from a story, which is associated with an oil lamp made of metal.[114] Two marks may be also conceptually similar when they refer to the same semantic term or variations of it.[115] This phenomenon may be observed in *Castillo* where the relevant public could believe that the goods covered by the mark *Castillo* may come from the same undertaking which owns the mark *El Castillo,*[116] since they are both conceptually almost identical.[117] On the contrary, in the *HOOLIGAN* case the General Court found no conceptual similarity between the marks *HOOLIGAN* and *OLLY GAN*. Firstly, the Court noticed that the mark HOOLIGAN derives from the concept of hooligans and therefore is connected with football to a certain extent. Since the concept of hooligans is known by the consumers concerned, it will be understood and assimilated as such by the relevant public. Secondly, the Court observed that the words of mark *OLLY GAN* do not have any meaning and connote primarily a first name and a surname – concept widespread in the clothing sector. Moreover, the visual perception of the marks will immediately put a distance between the concept of hooligan and the other mark in question. The Court concluded that, since the purchase of clothes involves a visual examination of the marks, there cannot be any conceptual similarity

[112] Case T-57/03, Société provençale d'achat et de gestion (SPAG) SA v Office for Harmonisation in the Internal Market, 920050 ECR II-0287, para. 58
[113] Case T-57/03, Société provençale d'achat et de gestion (SPAG) SA v Office for Harmonisation in the Internal Market, 920050 ECR II-0287, para. 59
[114] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 97
[115] Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, C. Similarity of signs, p. 12
[116] Castillo caseT -85/02, para 41
[117] Castillo caseT -85/02, para 40

between signs in question.[118] In *MYSTERY* the General Court ruled that the consumers cannot be expected to carry out a sufficiently elaborate analysis of the signs to find their possible meaning, therefore it found no conceptual similarity between the marks *MYSTERY* and *MIXERY*.[119]

2.3.2.4. Broad assessment of marks by the average consumer.

From the case-law of the Court of Justice of the EU it is apparent that the CTM courts must always make a global assessment according to which the opinion regarding the similarity of marks is based on an overall impression that the mark and the allegedly infringing sign make on an average consumer of the goods/services in question.[120] As the General Court points out in *Kiap Mou,* the perception of marks in the mind of the average consumer plays a decisive role in the evaluation of the likelihood of confusion.[121] The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details.[122] Moreover, the level of attention of the average consumer, who is deemed to be well informed and reasonably observant and circumspect, varies according to the category of goods and services in question.[123] For instance, in *NL Sport* the General Court observed that usually the consumers pay more attention to the details of marks and goods which are more expensive or luxury. Practice of the OHIM shows that a high degree of attention is also connected with the infrequent or risky purchases, like for instance the prescription drugs or pharmaceutical products sold only in pharmacies. Moreover, in *Lloyd* the ECJ noticed that account should be always 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

[118] Case T-57/03, Société provençale d'achat et de gestion (SPAG) SA v Office for Harmonisation in the Internal Market, 920050 ECR II-0287, para. 66
[119] Case T-99/01, Mystery drinks GmbH v Office for Harmonisation in the Internal Market, [2003] II-0043, para. 47
[120] . Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kulwer Law International 2010, Chapter 8, p. 273
[121] Case T-286/02, Oriental Kitchen SARL v Office for Harmonisation in the Internal Market, [2003] ECR II-4953, para. 26
[122] Case C-251/95 Sabel, para. 23; C-342/97 Lloyd, para. 25
[123] C-342/97 Lloyd, para. 26

them that he has kept in mind.[124] Moreover, the General Court observed in *Fifties*[125] that since the average consumer retains only an imperfect image of the mark, the predominant (distinctive) component of the mark in question is of major importance.[126]

Furthermore, once the similarity of the marks in question is found, the CTM courts must specify the degree of this similarity. Regrettably, the Court did not give clear enough guidelines regarding the proper assessment of the degree of similarity with regard to both – the goods/services and the marks. Therefore this issue should be the subject of a further analysis by the Court. The degree of similarity between marks is of great importance, particularly when one takes into account that points of similarity of the trade mark and the sign carry more weight that points of difference. Moreover, it is significant to notice that the average consumer generally pays more attention to the first part of a trade mark and a sign, what means that those elements are of great importance for the assessment of the similarity between marks.[127]

Following the principle of global assessment of marks, in *ALADDIN* the General Court, after having found a visual similarity of marks (*ALADDIN* and *Aladin*), their conceptual and aural identity and a high degree of distinctiveness of the mark *ALADDIN,* concluded that the marks in question "show a high degree of similarity."[128]

2.3.3. Distinctiveness of the trade mark.

The Court of Justice observed already in *Sabel* that the appreciation of marks must include examination of their "distinctive and dominant components" and that the more distinctive the trade mark is the greater will be the likelihood of confusion.[129] The distinctive character is defined as "the capacity of a mark to distinguish the goods/services of one undertaking from those of others (…) either because the trade mark has distinctive character of

[124] C-342/97 Lloyd, para. 26
[125] Case T-104/01, Claudia Oberhauser v Office for Harmonisation in the Internal Market, [2002] ECR II 4359
[126] Case T-104/01, Claudia Oberhauser v Office for Harmonisation in the Internal Market, [2002] ECR II 4359, para. 47
[127] . Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kulwer Law International 2010, Chapter 8, p. 273
[128] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 86
[129] Case C-251/95, SABEL BV v Puma AG, Rudolf Dassler Sport, [1997] ECR I-6191, para. 23 and 24

its own (*per se*) or because it has acquired it through use."[130] The reasoning behind this idea is that a distinctive mark is recalled sooner by the public than a descriptive and unknown one. Moreover, the consumers usually do not recognize descriptive elements as dominant ones and consequently do not pay great attention to them when selecting products. Therefore a mark, which does not have any descriptive elements, has a highly distinctive character and deserves greater protection. Logically, marks which consist of descriptive elements deserve lower protection. Therefore, for the proper determination of the likelihood of confusion, the dominant and distinctive elements of both signs will be of decisive importance.

In his opinion in *Sabel,* the Advocate General Jacobs observed that "the more well known or unusual a trade mark, the more likely it is that the consumers might be confused into believing there is a trade connection between goods or services bearing the same or similar mark."[131] In *Canon* the Court of Justice specified the notion of distinctiveness by ruling that "the marks with highly distinctive character, either *per se* or because of the reputation they possess on the market, enjoy broader protection than marks with less distinctive character."[132] In *Lloyd*[133] the Court of Justice gave a regular meaning to the concept of distinctiveness by saying "in determining the distinctive character of a mark […] it is necessary to make an overall assessment of the greater of lesser capacity of the mark to identify the goods and services for which it has been registered as coming from a particular undertaking."[134] Subsequently, the Court went on to observe 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 has been registered; 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 the public which, because of the mark, identifies the

[130] T. Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kulwer Law International 2010, Chapter 8, p. 126
[131] Opinion of Mr Advocate General Jacobs delivered on 29 April 1997, European Court reports 1997 Page I-06191
[132] Case C- 39/97, Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc., formerly Pathe Communications Corporation, [1998] ECR I-5507, para. 18
[133] Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819
[134] C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 22

goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations."[135] The Court of Justice concluded that it is not possible to state that a trade mark has a strong distinctive character by referring to the given percentage of the public which recognizes this sign on the market.[136] Finally, one must keep in mind that a distinctiveness or reputation of the mark is an additional element which does not serve to assess the similarity between the signs but which can be used, after founding the similarity of marks, to estimate the likelihood of confusion between them.

Criticism can be raised as to the fact that the Court of Justice does not give clear guidelines on how to distinguish between 'weak' and stronger, well-known marks. Moreover, the case-law of the Court does not sufficiently differentiate between inherently distinctive marks and marks which acquired the distinctiveness through use. Accordingly, it is proposed that inherently distinctive marks should, in the absence of use, possess only 'average' distinctiveness, whereas marks which are well known through use should obtain a higher degree of distinctiveness.[137] The Max Planck Study suggests that this issue could also be addressed in the preamble to the Regulation.[138] Moreover, in my opinion, the case-law of the Court of Justice does not give a clear indication as to how to distinguish between marks which possess reputation under article 9.1.c) and marks which are distinctive or highly distinctive under article 9.1.b). I believe that this issue should be also addressed in the case-law of the Court in the nearest future, especially when one considers the consequences of the Court's ruling in *Davidoff v. Gofkid.*[139]

Whereas in the aforementioned rulings the Court of Justice introduced a theoretical framework for the assessment of the distinctiveness of signs, the *ALADDIN* judgment gives a good practical insight into this issue. In this case the General Court stated that in assessing the distinctive character of the infringed mark (in this case a word mark *ALADDIN*) "account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does

[135] C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 23
[136] C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 24
[137] Study on the Overall Functioning of the European Trade Mark System, Max Planck Institute for Intellectual Property and Competition Law, Munich, 15.02.2011, p. 149; available at: http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf
[138] Ididem, p. 107
[139] See paragraph 2.1

or does not contain any element descriptive of the goods or services for which it has been registered and of the reputation attached to it."[140] Firstly, the Court went on to examine the reputation of the mark in question and concluded that since the owner of this trade mark did not produce any proof with regard to the various factors cited [in the aforementioned *Lloyd* judgment], the distinctive character of the sign cannot be established on that basis.[141] However, the Court observed that, "as regards the intrinsic qualities of the mark *ALADDIN*, it has a great capacity to identify the goods for which it has been registered ('*polish for metal*')". [142] The Court based this founding on the observation that "Aladdin is well known as the hero of the tale of Thousand and One Nights, who found an oil lamp made of metal, which, when rubbed, conjured up a genie who could grant the wishes of the owner of the lamp. Thus the word Aladdin evokes both the possible methods of use of the goods covered by the mark in question and the allegedly miraculous nature of the goods."[143] Consequently, the Court found that the trade mark *ALADDIN* had a high degree of distinctiveness for the goods it covered.[144] In *MYSTERY* the General Court had to examine the distinctiveness of the mark *MIXERY,* as it was an earlier mark opposing the registration of the sign *MYSTERY*; both marks were intended to cover, *inter alia*, non-alcoholic beers. Although the General Court admitted that the distinctiveness of the word *MIXERY* was not reduced by the use of the descriptive element (namely "mix"), however the mark did not contain any intrinsic qualities which would enable that distinctiveness to be classified as high. Moreover, the General Court found that the mere assertion that this mark is "fashionable beverage among young people" and the mere reference to internet pages relating to advertising sponsorship of the products covered by the mark *MIXERY* was not enough to establish the distinctiveness of the mark resulting from the

[140] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 90
[141] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 91
[142] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 92
[143] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 92
[144] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 92

reputation attached to it.[145] Concluding, the General Court found no distinctiveness of the mark *MIXERY*, however it stated that "the likelihood of confusion may be established without reference to the high degree of distinctiveness"[146] and therefore subsequently went on to examine the similarity of goods and signs in question in order to finally find the likelihood of confusion of marks *MIXERY* and *MISTERY*.

From the examination of those two cases, it is apparent that, firstly, a positive finding of the distinctiveness of the mark in question is not necessary in order to establish the likelihood of confusion, and secondly, the Court sets a very high level of detail in evidences that may be furnished in order to prove strong enough reputation of the mark that could lead to the distinctiveness of the sign. In my opinion, the CTM courts should always apply strict requirements in order to determine the distinctiveness of the mark. Since the distinctive marks are granted greater protection, this protection must be based on the thorough evidences and detailed examination of the relevant circumstances.

Finally, in order to clarify the meaning of the term "dominant and distinctive component" *Echinacin*[147] case should be evoked. In this case the General Court was to compare two word marks *ECHINACIN* and *ECHINAID*, both intended for the identical goods, namely *vitamins, food supplements, herbal and pharmaceutical preparations*. The General Court found that a prefix 'echina' was descriptive since the relevant public would regard it as referring to goods derived from the word 'Echinacea' - a plant used for pharmaceutical products and herbal medicine.[148] Therefore, it was concluded that the respective endings of the signs in question, namely 'cin' and 'id' were to be regarded as distinctive and dominant elements which attract the attention of the consumer.[149]

[145] Case T-99/01, Mystery drinks GmbH v Office for Harmonisation in the Internal Market, [2003] II-0043, para. 48
[146] Case T-99/01, Mystery drinks GmbH v Office for Harmonisation in the Internal Market, [2003] II-0043, para. 48
[147] Case T-202-04, Madaus AG v Office for Harmonisation in the Internal Market, [2006] ECR II-1115
[148] Case T-202-04, Madaus AG v Office for Harmonisation in the Internal Market, [2006] ECR II-1115, para. 45
[149] Case T-202-04, Madaus AG v Office for Harmonisation in the Internal Market, [2006] ECR II-1115, para. 55

2.3.4. Likelihood of association.

In the light of article 9.1.b) of the Regulation "the likelihood of confusion includes the likelihood of association". The question regarding the interpretation of the association criterion came up for the first time in *Sabel*. In this case, the Court of Justice was asked whether the mere association which the public may make between the two signs is sufficient enough to establish a likelihood of confusion.

Firstly, the Court noticed that likelihood of association can be divided in three categories: likelihood of direct confusion (where the public confuses the sign and the mark in question), likelihood of indirect confusion (where the public makes a connection between the proprietor of the sign and that of the mark and confuses them) and likelihood of association in the strict sense (where the public considers the sign to be similar to the mark and the perception of the sign calls to mind the memory of the mark although the two marks are not confused).[150] Subsequently, the Court went on to determine whether article 9.1.b) can be applied where there is no likelihood of direct or indirect confusion but only an association in the strict sense. In that regard the Court ruled that "the likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope."[151] The Court's ruling is clearly rejecting the Benelux approach, according to which the likelihood of association, without simultaneously involving a risk of confusion, was sufficient enough to find the rights of the owner of the trade mark infringed.[152]

The association criterion was raised also in *Marca Mode*[153]. Marca Mode sold sports clothes where numerous clothes bore on both sides two parallel stripes running longitudinally. Adidas brought an action against Marca Mode in connection with its registered figurative mark – three parallel stripes. The Court observed, following the *Sabel* ruling, that the existence of association between two marks is not by itself sufficient to raise a presumption of the likelihood of confusion and that the existence of the mark's reputation cannot give grounds for presuming

[150] Case C-251/95 Sabel, para. 16
[151] Case C-251/95 Sabel, para. 18
[152] G. Wunterberger, „A risk of confusion in Community trade Mark law: first contours in case law of the European Cort of Justice and the Harmonisation Office", European Intellectual Property Review, (1999) 21(10), p. 511
[153] Case C-425/98, Marca Mode CV, ECR [2000] I 4861

the existence of a likelihood of confusion.[154] Moreover, the Court of Justice ruled that likelihood of confusion cannot be inferred but must be always proved.

2.3.5. Relevant public.

According to article 9.1.b) of the Regulation, in order to find the likelihood of confusion there must exist a risk of confusion on the part of the public. The question arises as to what part of the public will be relevant in this regard. So far the Court of Justice of the EU has equated the terms "relevant public" with the notion of "average consumer" (this term has been already discussed before in section 2.3.2.4.). It follows that the perception of the disputed marks in question in the mind of average consumer plays a significant role in assessing the likelihood of confusion. Therefore, the relevant public must be defined in every case pending before the CTM court. The practice of the OHIM shows that the likelihood of confusion on the part of the public includes all situations where the public can come into contact with the disputed marks. Therefore, consideration must be given to a pre-sale confusion (arising in the course of advertising), a confusion arising at the time of purchasing the goods or services and a post-sale confusion (the confusion arising after goods or services were purchased, i.e. after unpacking goods at home).[155]

With regard to the relevant public, the Court only distinguishes in very general terms between "public at large", like in case of mass consumption goods, where the degree of sophistication of the average consumer is that of a reasonably-well informed consumer and "a more specialized public" interested in purchasing luxury or specific goods or services, i.e. tobacco.[156] In the latter, case the level of education, experience or knowledge of the average consumer in relation to those goods/services must be taken into account by the CTM courts when assessing the likelihood of confusion.

[154] J. Phillips, "Strong marks and likelihood of confusion in European law", Jurnal of Intellectual Property Law and Practice, (2006) 1960, p. 394
[155] Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, A. General remarks, p. 13
[156] Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, A. General remarks, p. 14

One must keep in mind that the relevant public must be always individually and separately assessed in each case with a due regard to the type of goods/services concerned. In *Castillo* the General Court observed that the goods in question, namely *condensed milk* and *cheese* were everyday consumer goods and therefore account should be taken of the perception of the relevant public, which consists of end consumers of food products.[157] On the contrary, in *ALADDIN* the Gneral Court noticed that although *products for polishing metals* consist equally of everyday consumer goods as well as of goods intended for specialized public, the opposing products, namely *products for cleaning waste pipes for the metal working industry* are directed solely at persons operating in the metal-working industry and therefore public likely to confuse the marks in question is formed only by such operators.[158]

2.4. Other factors that constitute the likelihood of confusion.

All factors mentioned in the above sections are expressly specified in article 9.1.b) of the Regulation and account must be always taken of them when assessing the likelihood of confusion. However, since the likelihood of confusion is to be assessed by a case-by-case approach, they may exist other factors, not explicitly specified in article 9.1.b), which can have an influence on finding the likelihood of confusion. Due to the limits of this research I will indicate them, without discussing in details their characteristics.

Practice of the Court of Justice of the EU and the OHIM shows that the following factors should be taken into account by the CTM courts: prior decisions by EU or national authorities involving conflicts between similar signs,[159] market surveys (including incidents of actual confusion), how the mark is used in practice, the quality of the goods traded under the mark and the sign, the question of whether the defendant had previously infringed the trade mark right, the price of the disputed goods or the fact that they are used in the course of trade.[160]

[157] Case T-85/02, Pedro Díaz, SA v Office for Harmonisation in the Internal Market, [2003] I-4835, para. 21
[158] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 81
[159] Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, A. General remarks, p. 10
[160] T. Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kulwer Law International 2010, Chapter 8, p. 286

Finally, one must keep in mind that the assessment of the likelihood of confusion can be taken up only in case of an illegal use of a sign that is infringing the protected trade mark, i.e. a use without a license or explicit consent of the right holder.

2.5. Global appreciation.

In the light of the *Sabel* judgment "the likelihood of confusion must be appreciated globally, taking into account all the factors relevant to the circumstances of the case."[161] Every case should be decided on its own merits and the global assessment must include all factors pertinent to the particular case.[162] Moreover, one must keep in mind that those factors do not have a fixed value; their value will depend on the circumstances of each case. As the practice of the Court and the OHIM shows, the assessment must be based on the overall impression created on the relevant public by the trade marks, with a particular view on the distinctiveness of the mark and degree of similarity between goods/services and marks. At the same time one should remember that the determination of the similarity between the goods and signs is not identical with finding the likelihood of confusion, it only opens the way for further assessment, which must include examination of all other relevant criteria. Finally, the finding of the likelihood of confusion will depend on the balance of the value of each of those factors.

In *Canon* the Court of Justice observed that "a global assessment of the likelihood of confusion implies some interdependence between relevant factors."[163] According to this rule, "a lesser degree of similarity between goods or services may be offset by a greater degree of similarity between the marks, and vice versa."[164] Thus the similarities between the signs must always be assessed in the light of similarities between the goods/services. Consequently, the likelihood of confusion may not be found even where the signs are identical if there is a low degree of similarity between goods/services, and vice-versa. Moreover, according to the rule of

[161] Case C-251/95, SABEL BV v Puma AG, Rudolf Dassler Sport, [1997] ECR I-6191, para. 22
[162] Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, A. General remarks, p. 8
[163] Case C- 39/97, Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc., formerly Pathe Communications Corporation, [1998] ECR I-5507, para 17
[164] Case C- 39/97, Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc., formerly Pathe Communications Corporation, [1998] ECR I-5507, para 17

interdependence, the more distinctive the infringed mark, the more likely it is that the public might be confused.[165]

By the way of analyzing the *ALADDIN* judgment one may observe how the Court applies the afore-mentioned principles in practice. Firstly, the General Court analyzed and compared the goods and the signs in question and ruled that the goods (*products for polishing metals* and *products for cleaning waste pipes for the metal working industry)* are "similar in part" (see section 2.3.1.8.) [166] and that the signs (*ALADDIN* and *Aladin*) "show a high degree of similarity"[167] (see section 2.3.2.4.) Subsequently, the Court went on to examine the likelihood of confusion between the marks at issue. It observed that the mark ALADDIN has a high degree of distinctiveness (see section 2.3.3.) and therefore "enjoys broader protection than marks with a less distinctive character."[168] Then the Court observed that the relevant public, composed of persons operating in the metal industry, is likely to evince a high degree of attentiveness when selecting goods in question.[169] Subsequently, the Court noticed that in addition to the fact that goods are similar in part, they also display a general link with cleaning and metal, a connection is further strengthened by the fact that the marks at issue are conceptually identical. It concluded that the relevant public would have the impression that the goods concerned may come from the same undertaking.[170] After having examined and balanced all the relevant factors, the Court ruled that there was a likelihood of confusion between the marks at issue.[171]

In my opinion, the guidelines created by the Court's and the OHIM's practice constitute a relatively practical approach to the finding of the likelihood of confusion. One may criticize the development of the case-law for being too vague, ambiguous and sometimes contradictive.

[165] Case C-251/95, SABEL BV v Puma AG, Rudolf Dassler Sport, [1997] ECR I-6191, para. 22
[166] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 86
[167] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 87
[168] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 93
[169] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 96
[170] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 98
[171] Case T-126/03, Reckitt Benckiser (España), SL v Office for Harmonisation in the Internal Market, [2005] ECR II-2861, para. 101

As it was signaled in the preceding sections, I also have few objections concerning the consistency and clarity of the decisions taken by the Court and the Office. However, one must bear in mind that the question of whether the likelihood of confusion can be found is based on a case-by-case approach, where all relevant circumstances must be taken into account. Therefore it is apparent that rules developed by the Court of Justice of the EU and the OHIM must be flexible enough in order to take into account all differences in the factual situations. One solution for the improvement of the coherence of the Court's judgments could perhaps be the establishment of a specialized chamber of the General Court dealing exclusively with trade marks. The other solution might be the creation of regional chambers of this Court, which could more efficiently and effectively deal with problems of territoriality and languages.

Finally, it is important to keep in mind that all the above-mentioned factors and criteria "are only minimal conditions for the ultimate assessment"[172] of the likelihood of confusion and it is not correct to adopt a 'mathematical approach' to this assessment in the sense that when the elements of similarity are satisfied, the conclusion must be that there is a trade mark infringement.[173] Moreover, one must remember that the examination of factors that constitute the likelihood of confusion is not a purely factual one; it involves also a legal assessment.[174] For this reason, the CTM courts should take into account all the criteria specified in the Regulation, the Directive and the case-law, try to apply them in the way specified by the Court of Justice of the EU and the OHIM and bear in mind that marks should be always assessed as a whole and with a due regard to all the relevant circumstances.

[172] T. Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kulwer Law International 2010, Chapter 8, p. 271
[173] T. Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kulwer Law International 2010, Chapter 8, p. 271
[174] T. Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kulwer Law International 2010, Chapter 8, p. 286

Chapter 3: Examination of the decisions of the Polish Trade Mark Court in the light of the case-law of the Court of Justice of the European Union.

3.1. General remarks.

A main legal act of a substantive law concerning a trade mark protection in Poland, next to the EU legislation[175], is the Industrial Property Law[176] ("IPL"). Article 296.2 of the IPL refers to the infringement of trade marks and to the notion of the likelihood of confusion, by repeating the wording of article 9.1.b) of the Regulation. However, as the Polish CTM court stressed out in its numerous decisions,[177] the provisions of the IPL are applicable only in cases where the Regulation is not applicable. This means that the directly applicable Regulation is the primary legal act concerning the CTM protection in Poland. When it comes to the sources of a procedural law, other than the EU law, the jurisdiction is governed by the Civil Proceedings Code, more precisely the provisions on proceedings in commercial matters.[178] This means that, *inter alia*, a plaintiff is obliged to present all evidences in a statement of claims, unless the need to present further material arises later in time. On the other hand, the defendant is obliged to present its evidences within 14 days of receiving the statement of claims. This provisions aim at speeding up the trial but at the same time they are highly criticized as they set a challenge for the parties, and especially for the defendant, to collect and present all necessary evidences.[179]

According to the article 95 of the Regulation, Poland designated one Community Trade Mark and Designs Court – a separate organizational unit (XXII Division) of the District Court in Warsaw. This court is the first instance court, from which appeals go to the Appeal Court in

[175] The Paris Convetion for Protection of Industrial Property, The Madrid Agreement and the Madrid Protocol
[176] Act of 30 June 2000 on Industrial Property Law – IPL – (in Polish: ustawa Prawo własności przemysłowej) of 30 June 2000, Journal of Laws (Dziennik Ustaw) of 2001 No 49, item 508, consolidated text of 13 June 2003, Journal of Laws (Dziennik Ustaw) No 119, item 1117, with later amendments.
[177] See, i. e., Case XXII GWzt 6/09, XXII Division of the District Court of Warsaw, delivered on 10.08.2006, p. 11; Case XXII GWzt 15/08, XXII Division of the District Court of Warsaw, delivered on 9.02.2009, p. 10
[178] K, Zurawska, P. Samoder, T. Rychlicki, Case law of the Polish Community Trade Mark and Designs Court; 2008-2010, Journal of Intellectual Property law &Practice, 2011, Vol. 6, No. 7, p. 442
[179] K, Zurawska, P. Samoder, T. Rychlicki, Case law of the Polish Community Trade Mark and Designs Court; 2008-2010, Journal of Intellectual Property law &Practice, 2011, Vol. 6, No. 7, p.442

Warsaw. There is also a possibility of a cassation complaint which is made to the Supreme Court. The Polish CTM court currently consists of one judge, who examines around 20 CTM cases per year.[180] The access to the decisions of the Polish CTM court is limited due to the fact that that there does not exist a unified system of publication. For this reason, I am not able to provide the statistical data regarding the decisions of the Polish CTM court. However, for the purpose of this research, I will examine 14 judgments of the Polish CTM court, concerning the CTM infringement under article 9.1.b) of the Regulation (including 4 appeals and two cassation complaints, all delivered over the 2005 and 2011), with a particular emphasis on the assessment by the court of the likelihood of confusion.

3.2. The application of the case-law of the Court of Justice of the EU – the examination of selected judgments delivered by the Polish CTM court.

The profound analysis of the selected decision delivered by the Polish CTM Court let me come to the conclusion that, in the majority of cases, the Polish CTM court properly follows the case-law of the Court of Justice of the EU and applies it correctly in its every-day practice. However, in certain cases, the Polish CTM court occasionally contradicts or disregards the concepts and theory developed by Court of Justice on the notion of the likelihood of confusion. The detailed observation of this phenomenon will be the subject of the following paragraphs.

However, in the first place, it is significant to notice that all the examined decisions of the Polish CTM court always recall the main characteristics of the CTM system and the jurisprudence of the Court of Justice of the EU relating to the notion of the likelihood of confusion. Accordingly, all the examined judgments state that the provisions of the Regulation, as a part of *acquis communautaire,* constitute an element of Polish legal system and should be applied directly. The Polish CTM court underlines the uniform character of the CTMs and the main function of trade marks, namely the identification of the origin of the trademarked product. In that regard, the court directly states that the likelihood of confusion exists when the

[180] K, Zurawska, P. Samoder, T. Rychlicki, Case law of the Polish Community Trade Mark and Designs Court; 2008-2010, Journal of Intellectual Property law &Practice, 2011, Vol. 6, No. 7, p. 442

public might believe that goods/services in question come from the same or economically connected undertakings. Moreover, in all the researched judgments it is explicitly noted that, in order to determine the likelihood of confusion, the Polish CTM court must consider and apply the case-law of the Court of Justice of the EU relating to the similarity of marks, the similarity of goods/services and to the risk of confusion. Therefore, in the examined judgments, the Polish CTM court points out that, *inter alia*, the assessment of the similarity between marks should be based on the visual, aural and semantic compliance and their global effect on the perception of an average consumer who is deemed to be well informed and reasonably observant; that the assessment of the similarity of goods should include all relevant factors, for instance the nature of goods, their purpose, method of use, etc. The Polish CTM court also refers in the examined decisions to the interdependence of those factors, the importance of the distinctive and dominant components of the mark and to the fact that the highly distinctive marks receive greater protection. One may observe that in all the researched judgments, the Polish CTM court referred directly to the jurisprudence of the Court of Justice of the EU relating to the concept of the likelihood of confusion, by recalling in details the landmark cases and the relevant theoretical concepts developed by the Court of Justice. This proves that the CTM judges in Poland are fully aware of the importance of the case-law of the Court of Justice and the General Court for the proper application and enforcement of article 9.1.b) of the Regulation. In the following paragraphs I will examine whether and how the Polish CTM Court applies the jurisprudence of the Court of Justice of the EU in practice in its decisions.

3.2.1. The *BP* case.

In the *BP* case,[181] the plaintiff, BP p.l.c. ("BP"), was entitled to the following graphic CTMs:

[181] Case XXII GWzt 15/08, XXII Division of the District Court of Warsaw, delivered on 9.02.2009, the English version of the judgment available at: http://oami.europa.eu/ows/rw/resource/documents/CTM/case-law/bp2_en.pdf

1) , 2)  and 3) ,

registered for the goods in class 4 (*inter alia* oils and fuels) and services in class 37 (*inter alia* anti-rust treatment for vehicles, polishing, greasing, maintenance and repair; motor vehicle wash). The defendant, Mr. S, was using in the course of trade the following signs:







, covering the following goods and services: selling liquid fuels and providing services in the field of vehicle servicing and refueling. BP filed a complaint with the Polish CTM court under article 9.1.b) of the Regulation against the defendant, claiming the infringement of its CTM rights.

Firstly, the Polish CTM court compared the goods and services in question. In that regard it correctly stated, following the jurisprudence of the General Court,[182] that the goods and services covered by the plaintiff's marks include the goods and services covered by the defendant's signs and therefore they are identical.[183]

[182] Study on the Overall Functioning of the European Trade Mark System, Max Planck Institute for Intellectual Property and Competition Law, Munich, 15.02.2011, p. 96; available at: http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf

[183] Case XXII GWzt 15/08, XXII Division of the District Court of Warsaw, delivered on 9.02.2009, p.14

Subsequently, it turned to the comparison between the defendant's "flower" sign (the first picture among the pictures above, representing the defendant's signs) and the CTM number 3. In that regard, the Polish CTM court properly noticed that CTM number 3 has a highly distinctive character *per se,* as it does not include any descriptive elements and as the mark is different from the goods and services for which it was registered. This statement is consistent with what the Court of Justice ruled in *Lloyd*.[184] The Polish CTM court also correctly indicated the relevant public, namely the drivers who notice the trade mark and the sign from a considerable distance and who, in an overall impression, pay greater attention to the shape and the color of the marks, which, in case of the disputed marks, are very similar. While determining the similarity of both signs, the court also rightly pointed out that the high degree of similarity between both marks was not decreased neither by a slightly different shape of the leaves in the defendant's sign nor by the letters "AS" inscribed in there.[185] This statement of the Polish CTM court stays in harmony with the jurisprudence of the Court of Justice, whereby the average consumer perceives a mark as a whole and does not analyze its various details.[186] Subsequently, the Polish CTM court, following the ECJ's ruling in *Sabel*[187], correctly made a global assessment of all relevant factors, by, *inter alia*, taking into account the identity of goods, the similarity of signs and the opinion of the relevant public. It concluded that there was a risk of confusion between the CTM number 3 and the defendants "flower" sign. The Court also found that the likelihood of confusion was additionally increased by the fact that the BP's CTM possesses a high distinctiveness *per se*. In that regard the Polish CTM court correctly applied the ruled of interdependence, whereby the more distinctive the infringed mark, the more likely it is that the public might be confused.[188]

However, with respect to the CTM number 1 and 2, the Polish CTM court ruled that only the CTM number 2 was infringed by the defendant's signs representing the petrol station in a green color. The Polish CTM court noticed in that regard that BP's trade mark was not the color green, as the plaintiff claimed, but the representation of the petrol station in that color and

[184] Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 22 -23
[185] Case XXII GWzt 15/08, XXII Division of the District Court of Warsaw, delivered on 9.02.2009, p. 14
[186] Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 25
[187] Case C-251/95, SABEL BV v Puma AG, Rudolf Dassler Sport, [1997] ECR I-6191, para. 22
[188] Case C-251/95, SABEL BV v Puma AG, Rudolf Dassler Sport, [1997] ECR I-6191, para. 22

therefore the plaintiff could not claim that the sole use of the green color by the competitive undertaking constitutes the infringement of his CTM.[189] On the contrary, the Polish CTM court took into account all the elements of the signs in question and correctly stated that "in this case, the appearance, shapes, lines, proportions and distribution of particular elements of the trade mark and the sign are decisive to determine that [the marks in question] are not similar to the extent of evoking the risk of confusion."[190] Accordingly, the defendant was prohibited to use the color green, as a dominant color, on the surfaces of all elements of the buildings, however **only** alongside with the infringing "flower" sign.

The defendant filled an appeal and the Court of Appeal generally sustained the reasoning of the court of first instance[191]. However, the Court of Appeal overruled the judgment of the court of first instance with regard to one element. Accordingly, the Court of Appeal allowed the defendant to use the green color on the roofs of his buildings. The Court of Appeal justified it decision by noticing that the construction of the defendant's roofs was distinctive and different from the plaintiff's ones (defendant's roofs were sloping whereas the plaintiff's ones were flat) and therefore the usage a green color on the defendant's roof would not cause the likelihood of confusion.[192]

As one can observe, the assessment of the risk of confusion undertaken by both courts constitutes an example of a proper and very detailed examination of all possible factors and circumstances of the case, as specified by the Court of Justice and the General Court in its jurisprudence.

[189] Case XXII GWzt 15/08, XXII Division of the District Court of Warsaw, delivered on 9.02.2009, p. 16
[190] Case XXII GWzt 15/08, XXII Division of the District Court of Warsaw, delivered on 9.02.2009, p.16
[191] Case I ACa 377/09, I Civil Division of the Appeal Court in Warsaw, delivered on 3.07.2009
[192] Case I ACa 377/09, I Civil Division of the Appeal Court in Warsaw, delivered on 3.07.2009, p. 8

3.2.2. The *Red Bull* case.

The *Red Bull* case[193] is another example of a proper application by the Polish CTM court of the Court of Justice's case-law. In this case the Polish CTM court was to examine the likelihood of confusion between the plaintiff's graphic CTMs:

 and  and the defendant's sign: 

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Red Bull's CTMs were registered for goods in class 32, *inter alia* energy drinks; the defendant's goods, sold under allegedly infringing sign, were identical, namely energy drinks.

After pointing out the identity of goods in question, the Polish CTM court undertook the detailed analysis of the similarity of marks in question. Firstly, the court noticed that the plaintiff's CTMs have highly distinctive features *per se* and also due to the reputation it has acquired though use. In order to prove the reputation of his CTMs, the plaintiff properly applied the case-law of the Court of Justice[194] by presenting all necessary documents, referring, *inter alia*, to the expenditures on the promotion and advertisement of the CTM's in question, the time of use and the territorial scope of use of his CTMs.[195] Moreover, the plaintiff presented a demoscopic survey which confirmed that the composition of the blue and silver colors with respect to his products is widely recognized among purchasers of energy drinks in Poland (81%).[196] Finally, the CTM right holder referred to the article in the *Puls Bizsnesu* newspaper where Red Bull was ranked, according to the independent experts, in the top ten golden brands

[193] Case XXII GWzt 6/09, XXII Division of the District Court of Warsaw, delivered on 10.08.2006, the English version of the judgment available at: http://oami.europa.eu/ows/rw/resource/documents/CTM/case-law/red%20bull_2_en.pdf
[194] Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 22 -23
[195] Case XXII GWzt 6/09, XXII Division of the District Court of Warsaw, delivered on 10.08.2006, p. 8
[196] Case XXII GWzt 6/09, XXII Division of the District Court of Warsaw, delivered on 10.08.2006, p. 9

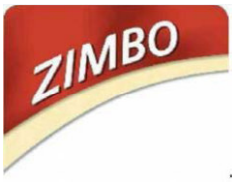
in Poland[197]. On this basis the Polish CTM court correctly established the high distinctiveness and reputation of Red Bull's CTMs. Subsequently, it pointed out that visually and conceptually the marks in question were similar, as they consist of the same colors and similar figurative elements (dividing slanting line and image of buffalo)[198]. In my opinion, the court should have also assessed the similarity between the two images of buffalo, which differ to a certain extent. However, the court, following the practice of the Court of Justice and the OHIM[199], rightly noticed that the goods in question were sold in the same distribution channels and that relevant public consists of young people, who usually buy energy drinks and rarely have a chance to make a direct comparison of signs. The court examined all relevant circumstances of the case and, according to the rule of a global assessment[200] and interdependence of all relevant factors,[201] correctly found a risk of confusion.

However, the court made a wrong assessment by stating that the likelihood of confusion was increased by the fact that Red Bull is usually bought by the young people who are "less experienced purchasers with poorer recognition."[202] According to the case-law of the Court of Justice of the EU,[203] the model average consumer is always well informed and reasonably observant and the CTM courts should always apply this rule in their judgments.

3.2.3. The *Zimbo* case.

The *Zimbo* case[204] is another example of a correct application of the case-law of the Court of Justice of the EU by the Polish CTM court. In this case the Polish CTM court was to compare the plaintiff's figurative CTM:

[197] Case XXII GWzt 6/09, XXII Division of the District Court of Warsaw, delivered on 10.08.2006, p. 9
[198] Case XXII GWzt 6/09, XXII Division of the District Court of Warsaw, delivered on 10.08.2006, p. 17
[199] OHIM Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, B. Similarity of goods and services, p. 27; Decision No 1117/1999 (CHATELDON/CHATELDON), p. 5
[200] Case C-251/95, SABEL BV v Puma AG, Rudolf Dassler Sport, [1997] ECR I-6191, para. 22
[201] Case C- 39/97, Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc., formerly Pathe Communications Corporation, [1998] ECR I-5507, para 17
[202] Case XXII GWzt 6/09, XXII Division of the District Court of Warsaw, delivered on 10.08.2006, p. 18
[203] Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 26
[204] Case XXII GWwp, 19/10, XXII Division of the District Court of Warsaw, delivered on 04.04.2011



with the defendant's sign 

;

both signs covering identical goods, namely meat and sausages.

The Polish CTM court made a comparison of the signs in question and ruled that they were not similar, neither visually, nor conceptually or aurally. Accordingly, it noticed that the graphic form as well as the sound of the disputed marks were different.[205] The court correctly found, following the reasoning of the Court of Justice in *Lloyd*[206], that the word "Zimbo" constituted a distinctive element of the CTM. It concluded that, having in mind the different colors and shapes of the marks in question and a different form and type of letters used in both marks, the informed and reasonably observant consumer could not be confused by those two signs.[207] The court also rightly pointed out that the testimony of three witnesses were not enough to prove the repute of the Zimbo CTM and therefore not enough to evoke a risk of confusion. In this respect the Polish CTM court correctly applied the case-law of the Court of Justice, whereby the reputation of the trade mark can be established only on the basis of thorough and numerous evidences capable of proving a high recognition of the mark in the market.[208]

Although the final reasoning of the Polish CTM court seems to be correct, it is admitted that the court could have undergone a much more detailed examination of the marks, taking also into account, for instance the distribution channels of goods in question or the fact that the signs in question cover identical products. Only the examination of all relevant factors may lead to the proper global appreciation of the risk of confusion, as it was indicated by the Court of Justice in Sabel.[209]

[205] Case XXII GWwp, 19/10, XXII Division of the District Court of Warsaw, delivered on 04.04.2011, p. 14
[206] Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 22-23
[207] Case XXII GWwp, 19/10, XXII Division of the District Court of Warsaw, delivered on 04.04.2011, p. 12
[208] Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 22-23
[209] Case C-251/95, SABEL BV v Puma AG, Rudolf Dassler Sport, [1997] ECR I-6191, para. 22

3.2.4. The *Klimuszko* case.

A practice of the Polish CTM court shows that the vast majority of the infringement actions under article 9.1.b) of the Regulation concern goods that are obviously identical and therefore the examination of the likelihood of confusion undertaken by the court refers mainly to the assessment of the similarity between marks, their distinctive and dominant elements and other factors relevant in given case . However, the *Kilmuszko* case[210] shows that the Polish CTM court correctly assesses the similarity between goods.

In this case the Polish CTM court was to compare the plaintiff's word CTM KLIMUSZKO with the defendant's sign "Bracia Klimuszko Syrop Czarny bez z Żurawiną" (English translation: Klimuszko Brothers' Elderberry syrup with cranberries). The plaintiff explained that the KLIMUSZKO mark refers to the name of the monk Klimuszko, a very famous Polish priest and herbalist, whose herbal recipes are legally used by the plaintiff for the production of his goods. The CTM KLIMUSZKO was registered, *inter alia*, for goods in class 5, namely teas for medicinal purposes, medicinal plant and herbal products, whereas the defendant's sign covered the elderberry and cranberry syrup.

Firstly, the Polish CTM court correctly stated that the marks in question had a high degree of similarity, as the distinctive element, namely "Klimuszko", was present in both signs. The Polish CTM clearly applied in this regard the concept developed by the General Court in *Fifties*[211], whereby the predominant and distinctive component of the mark is of major importance for the determination of the likelihood of confusion. Subsequently, the Polish CTM court, following the jurisprudence of the Court of Justice[212], rightly pointed out that the last element of the defendant's sign, namely "Syrop Czarny bez z zurawiną" (Elderberry syrup with cranberries) was descriptive and therefore should not be the main focus of the examination of the likelihood of confusion. Moreover, the Polish CTM court noticed that the word "Bracia"

[210] Case XXII GWzt 17/09, XXII Division of the District Court of Warsaw, delivered on 21/12/2009
[211] Case T-104/01, Claudia Oberhauser v Office for Harmonisation in the Internal Market, [2002] ECR II 4359, para. 47
[212] Case T-202-04, Madaus AG v Office for Harmonisation in the Internal Market, [2006] ECR II-1115, para. 55

(Brothers) in the defendant's mark could not eliminate the risk of confusion since both signs, as they refer to the exactly same name – "Klimuszko" - were conceptually similar[213].

Subsequently, the court turned to the examination of the similarity between goods in question. In that regard, the Polish CTM court correctly applied the concepts developed by the Court of Justice in the *Canon* case[214]. Accordingly, the Polish CTM court referred to the purpose and the nature of the products stating that both of them serve for strengthening the human body and for the medical prevention of natural methods. Moreover, the court pointed out that both products are made from plants which have medicinal properties and are used in a natural medicine. Finally, the court noticed that they were complementary and sold through the same distribution channels. It therefore rightly concluded that the goods in question were similar.[215] According to the rule of the global assessment, the Polish CTM court correctly found the likelihood of confusion between marks in question. This case clearly shows that the Polish CTM court follows and rightly applies the jurisprudence of the Court of Justice of the EU.

3.2.5. The *HAPPYDERM* case.

However, the *HAPPYDERM* case[216] indicates that the Polish CTM court disregards, to a certain extent, the case-law of the Court of Justice of the EU. In this case the plaintiff - cosmetics company L'Oreal – claimed a protection under article 9.1.b) of its word CTM HAPPYDERM. In the opinion of the plaintiff, the use of the defendant's sign "Happy Day" infringed the CTM HAPPYDERM. Both marks were used for identical goods, namely skin care products.

Firstly, the Polish CTM court stated that the CTM HAPPYDERM had a little degree of distinctiveness as the words "HAPPY" and "DERM" describe the product and its properties and as they are widely used by other undertakings offering skin care products on the market.[217]

[213] Case XXII GWzt 17/09, XXII Division of the District Court of Warsaw, delivered on 21/12/2009, p. 11
[214] Case C- 39/97, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc., formerly Pathe Communications Corporation*, [1998] ECR I-5507, para. 23
[215] Case XXII GWzt 17/09, XXII Division of the District Court of Warsaw, delivered on 21/12/2009, p. 11
[216] Case XXII GWzt 5/06, XXII Division of the District Court of Warsaw, delivered on 08/03/2007
[217] Case XXII GWzt 5/06, XXII Division of the District Court of Warsaw, delivered on 08/03/2007, p. 7

However, the Polish CTM court did not refer to any examples of other producers using similar word signs in order to prove its statement. Subsequently, the court correctly noticed that, taking into account Polish rules of pronunciation, the marks in question were phonetically similar. It stated, however, that both signs were conceptually and visually dissimilar. While assessing the visual similarity, the Polish CTM court wrongly referred to the graphical form of the marks.[218] Since the allegedly infringed CTM was a word mark, its graphical representation should not matter for the assessment of the likelihood of confusion, as the General Court ruled in *HOOLIGAN* case[219]. Therefore, instead of the graphical representation of the marks, the Polish CTM court should have examined the number of syllabs in the signs, the structure and the combination of letters. Should the court had done it, it could have possibly come to a different conclusion concerning the similarity of the marks. On the other hand, the court correctly indicated the relevant public, namely women and the fact that the products covered by the signs are offered for sale in the same outlets. Although, it rightly pointed out the features of a reasonably observant average customer, it incorrectly stated that the average consumer in case of doubt, while purchasing cosmetic products, always determines the producer of the products in the first place.[220] In my opinion, the fact that the consumer, due to the alike designation of the goods, is forced to determine the producer of those goods in order to make his choice highly increases the possibility of the confusion.

Eventually, the Polish CTM court did not find the likelihood of confusion in this case. The court, however ,in my opinion, besides the mistakes indicated above, did not undergo a detailed enough examination of all factors indicated by the Court of Justice in its case-law; for instance the global assessment did not take into account the identity of the products in question.

The plaintiff appealed from the decision of the CTM court, however the Court of Appeal, in an extremely short and vague statement of reasons, entirely sustained the decision of the

[218] Case XXII GWzt 5/06, XXII Division of the District Court of Warsaw, delivered on 08/03/2007, p. 8
[219] Case T-57/03, Société provençale d'achat et de gestion (SPAG) SA v Office for Harmonisation in the Internal Market, 920050 ECR II-0287, para 56 ; See also : OHIM Opposition guidelines, Part 2, Chapter 2: Likelihood of confusion, C. Similarity of signs, p. 10
[220] Case XXII GWzt 5/06, XXII Division of the District Court of Warsaw, delivered on 08/03/2007, p. 8

court of first instance.[221] I believe that if the CTM court had assessed the likelihood of confusion strictly according to rules developed by the Court of Justice, its decision in *HAPPYDERM* could have been different to the certain extent.

3.2.6. The *PANORAMIC* case.

The *PANORAMIC* case[222] is a good example of a proper assessment of the likelihood of confusion made by the Polish CTM court and simultaneously an indication of the fact that the Polish CTM court occasionally employs an incoherent reasoning in its judgments. The *PANORAMI*C case involved exactly the same parties as the *HAPPYDERM* case. In *PANORAMIC*, the plaintiff – L'Oreal – claimed a protection of its word CTM PANORAMIC registered for the cosmetic products, *inter alia* mascaras. The CTM right holder claimed that the defendant – Eveline Cosmetics - infringed article 9.1.b) of the Regulation by putting on the market the mascaras covered by the mark PANORAMA LOOK MASCARA.

Firstly, the court correctly stated that the goods in question were identical. Secondly, it turned to the examination of the marks. In that regard the Polish CTM court took into account the inherent characteristics of the trade mark, as elaborated by the Court of Justice in Lloyd,[223] and rightly noticed that CTM PANORAMIC is highly distinctive *per se* as it does not describe the product but, on the contrary, it allows the consumer to associate the product with the result obtained by its use.[224] The court also correctly stated, following the Court's of Justice reasoning in Echinacin[225], that the last element of the allegedly infringing mark - LOOK MASCARA - has a highly descriptive character, as the word "MASCARA" describes the product itself and the word "LOOK" makes a direct connection with eyes and eyelashes. In order to explain the meaning of the above foreign words ("LOOK" and "MASCARA"), the court correctly[226] used a dictionary[227].

[221] Case I ACa 537/07, I Civil Division of the Appeal Court in Warsaw, delivered on 11/09/2007
[222] Case XXII GWzt 5/07, XXII Division of the District Court of Warsaw, delivered on 02/06/2008
[223] As specified by the Court of Justice in Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 22.23
[224] Case XXII GWzt 5/07, XXII Division of the District Court of Warsaw, delivered on 02/06/2008, p. 13
[225] Case T-202-04, Madaus AG v Office for Harmonisation in the Internal Market, [2006] ECR II-1115, para. 55
[226] As the General Court indicated in HOOLIGAN case, para. 59
[227] Case XXII GWzt 5/07, XXII Division of the District Court of Warsaw, delivered on 02/06/2008, p. 14

The Polish CTM court properly stated that the dominant elements of the marks, namely PANORAMIC and PANORAMA, were to be a primary subject of the examination. Subsequently, the court pointed out that the marks in question were similar conceptually, aurally and visually. It properly assessed the visual similarity by comparing the number and sequence of letters and syllabs in the marks, instead of their graphical representation, as it previously incorrectly did in *HAPPYDERM*. The approach applied in *PANORAMIC* is entirely consistent with the ruling of the General Court in the *HOOLIGAN* case.[228] Finally, the court rightly pointed out that the relevant public would be the women and that the goods have similar channels of distribution and similar price.

It is important to notice that in *PANORAMIC* the court contradicted its previous decision in *HAPPYDERM.* Contrary to what the Polish CTM ruled in *HAPPYDERM*[229], in *PANORAMIC* it correctly stated that the average consumer usually does not examine the product in order to determine the producer, but more commonly takes the decision to purchase a product having in mind the imperfect picture of the trade mark.[230] This statement is entirely coherent with what the Court of Justice ruled in *Lloyd*.[231] Finally, the court made an overall and global assessment of all the examined factors and rightly ruled that there was a likelihood of confusion between two signs in question. The reasoning of the court of the first instance was subsequently sustained by the Court of Appeal.[232]

Finally, the Polish CTM court in *PANORAMIC* referred indirectly to its previous judgment in *HAPPYDERM.* In that regard, it stated that the use of the infringing mark PANORAMA cannot be considered as an accidental and random one, especially when one takes into account the jurisprudence of the Polish CTM court regarding the former incidents of usage by the defendant of the marks which were similar to the plaintiff's ones.[233] I believe that by this statement the court indirectly admitted its partially incorrect assessment of the risk of confusion in *HAPPYDERM* case. The Polish CTM court also properly applied the guideline, according to

[228] Case T-57/03, Société provençale d'achat et de gestion (SPAG) SA v Office for Harmonisation in the Internal Market, 920050 ECR II-0287, para 56
[229] Case XXII GWzt 5/06, XXII Division of the District Court of Warsaw, delivered on 08/03/2007, p. 8
[230] Case XXII GWzt 5/07, XXII Division of the District Court of Warsaw, delivered on 02/06/2008, p. 15
[231] Case C-342/97, Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, [1999] ECR I-3819, para. 28
[232] Case I ACa 944/08, I Civil Division of the Appeal Court in Warsaw, delivered on 20/02/2009
[233] Case XXII GWzt 5/07, XXII Division of the District Court of Warsaw, delivered on 02/06/2008, p. 14

which, the CTM courts, while dealing with the CTM infringement cases, should always take into account whether the defendant previously infringed the trade mark right. [234]

3.2.7. The *Lindt* case.

The *Lindt* case is the clearest example of the fact that the proper assessment of the likelihood of confusion still causes certain troubles for the Polish CTM court. This case dates back to 2005 when a plaintiff, Swiss company Chocoladenfabriken Lindt&Sprungli ("Lindt"), filed a complaint, under article 9.1.b) of the Regulation, against a Polish company Terravita.[235] The plaintiff claimed the infringement of its three dimensional CTM:



, by the use of the defendant's following mark:



(available also in a silver wrap), both used for the identical products, namely chocolate bunnies.

The Polish CTM court noticed that although the two marks in question have the same overall dimension and similar colors; the clearly exposed words "Lindt GOLDHASE" and

[234] T. Cohen, J.C. van Nispen, Tony Huydecoper, *European trademark law, Community trademark law and harmonized national trademark law*, Kulwer Law International 2010, Chapter 8, p. 286
[235] Case XXII Wsp ZT 11/04, XXII Division of the District Court of Warsaw, delivered on 22/09/2005

"Terravita" are dominant and distinctive and therefore significantly differentiate those two products.[236] On those grounds the Polish CTM court did not find the likelihood of confusion. In order to strengthen its assessment, the court found that the average consumer does not determine the origin of the goods in question only according to the shape of the bunny but also according to other significant elements like the color, the price or the sign identifying the producer.[237] Finally, the Polish CTM court recalled a decision of the German CTM court, where the German Court of Appeals also found no risk of confusion between Lindt's chocolate bunny and the defendant's similar product.[238]

Lindt appealed from the decision of the Polish CTM court, however the Court of Appeal sustained the decision of the court of first instance[239]. Accordingly, it stated that while assessing the likelihood of confusion, the dominant and distinctive elements should be compared by the court. Therefore, the Court limited the examination only to the distinctive word elements of the marks, namely 'Lindt GOLDHASE" and "Terravita". The court disregarded examination of the shape of both products, stating that the bunny shape has no distinctive character, as it is widely used during the Easter period. Similarly, the court found that the golden and silver wraps were devoid of any distinctive character, as they are typical for chocolate products.[240] The court also ignored, *inter alia*, the identity of the products, the similar channels of distribution and similar sales outlets as well as the similar quality of goods in question. In my opinion, both courts (of first and second instance) clearly disregarded the jurisprudence of the Court of Justice of the EU, according to which the global assessment of all relevant factors is necessary in order to establish the risk of confusion.[241]

The plaintiff appealed to the Supreme Court. The Supreme Court repealed the decision of the Court of Appeal and referred the case for reconsideration[242]. The Supreme Court

[236] Case XXII Wsp ZT 11/04, XXII Division of the District Court of Warsaw, delivered on 22/09/2005, p. 8
[237] Case XXII Wsp ZT 11/04, XXII Division of the District Court of Warsaw, delivered on 22/09/2005, p. 9
[238] Case GRUR-RR 5/2004, delivered on 29/01/2001
[239] Case I ACa 1165/05, I Civil Division of the Appeal Court in Warsaw, delivered on 06/07/2006
[240] Case I ACa 1165/05, I Civil Division of the Appeal Court in Warsaw, delivered on 06/07/2006, p. 9
[241] See: Case C-251/95, *SABEL BV v Puma AG, Rudolf Dassler Sport*, [1997] ECR I-6191, para. 22; Case C- 39/97, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc., formerly Pathe Communications Corporation*, [1998] ECR I-5507, para. 17
[242] Case I CSK 16/07, Supreme Court, delivered on 13/04/2007

correctly stated, following the case-law of the Court of Justice,[243] that the assessment of the likelihood of confusion should always involve an overall and comprehensive examination of all relevant factors and therefore the examination limited to the assessment of the similarity between word marks only was highly inappropriate. Moreover, the Supreme Court correctly pointed out that the Court of Appeals should, while assessing the likelihood of confusion, also take into account the identity of products in question and the repute of the plaintiff's CTM.

The Court of Appeal, after reconsidering the case, ruled in favor of Lindt. The court found that there was a likelihood of confusion, however only in respect to the Terravita's chocolate bunnies in golden, not in the silver wraps.[244] The Court of Appeal, in its statement of reasons, noticed that the disputed chocolate bunnies were similar as they both had the same shape and size, were packed in foil and had a ribbon tied around the neck. The court found, following the rule of interdependence, that the likelihood of confusion was increased by the fact that Lindt's products were well known among average consumers of chocolate products in Poland. However, with respect to Trravita's silver bunny, the Court held that, although the latter figure had the same size and shape as Lindt's product, the sliver color and the name of the producer imprinted on the foil precluded the likelihood of confusion.[245]

The defendant appealed to the Supreme Court and this time the Supreme Court ultimately took the decision on the merits. However, in this decision the Supreme Court contradicted, to the certain extent, its previous judgment.[246] The Supreme Court made a detailed assessment of the marks and noticed that both products differed in many details. Firstly, wraps on both goods have different shades of gold; secondly, Lindt's bunny has a golden bell and red fabric ribbon tied around its neck, whereas the Terravita's bunny has a silver ribbon which is printed on the wrap and there is no bell under the rabbit's chin; thirdly, both products have significantly different prices.[247] Moreover, both marks have different dominant and distinctive indications of producers, visibly printed on the products. Taking into account all the

[243] Case C-251/95, SABEL BV v Puma AG, Rudolf Dassler Sport, [1997] ECR I-6191, para. 22,
[244] Case I ACa 616/07, delivered on 23/07/2007, p. 12
[245] Trade mark law, case I CSK 96/08, March 20, 2009, Tomasz Rychlicki, available at: http://rychlicki.net/en/issue/unfair-competition-law/
[246] Case I CSK 96/08, Supreme Court, delivered on 03/10/2008
[247] Case I CSK 96/08, Supreme Court, delivered on 03/10/2008, p. 7

above mentioned elements, the Supreme Court found no likelihood of confusion. Contrary to what the Supreme Court stated in its previous decision, it indeed examined the marks in details, however it did not take into account other relevant elements, like the identity of goods and the repute of the plaintiff's CTM.

The *Lindt* case proves that assessment of the likelihood of confusion still constitutes a challenge for the CTM courts, not only for the Polish one. The best example of this statement is the fact that in the similar factual and legal circumstances (the case of Lindt's chocolate bunny), the courts in Poland, Germany and Austria came to the different conclusions regarding the existence of the likelihood of confusion. Whereas in Germany and Poland, the courts found no likelihood of confusion between the chocolate bunnies, in Austria the Court of Appeal established the risk of confusion between the following marks[248]:



Moreover, the Austrian Supreme Court referred the case to the Court of Justice for a preliminary ruling[249]. The preliminary question, however, referred to a bad faith concerning the registration of Lindt's CTM, not to the likelihood of confusion itself, therefore, regrettably, the decision of the Court of Justice in this case does not clarify the conditions for the assessment of the risk of confusion.

[248] E. Wojcieszko-Głuszko, Kolizja znaków towarowych – glosa do wyroku SN z 13.04.2007r. "sprawa wielkanocnego zajączka", Europejski Przegląd Sądowy nr 6, czerwiec 2008, p. 35-36

[249] Case C-529/07, *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH,* [2009] ECR I-04893

CONCLUSIONS

The examination of the jurisprudence of the Court of Justice and the Polish CTM court shows that, in a vast majority of cases delivered by the Polish CTM court, the court tends to assess the likelihood of confusion properly, following the concepts indicated by the Court of Justice of the EU. Firstly, it is important to notice that the Polish CTM judges are fully aware of the importance of the Court's jurisprudence, as every Polish CTM judgment includes extended references and numerous citations of the case-law of the Court of Justice of the EU.[250] Accordingly, in general, the Polish CTM court correctly identifies the distinctive and dominant elements of signs, the relevant public and channels of distribution; it properly assesses the visual, aural and conceptual similarity of signs as well as the similarity between goods; it also rightly establishes the reputation of marks. However, the examination of the Polish CTM case-law, particularly with regard to the *HAPPYDERM* and *Lindt* cases, showed that the Polish CTM judges occasionally encounter certain difficulties regarding the assessment of the likelihood of confusion. Accordingly, the Polish CTM court in some cases contradicts its previous judgments[251], in other cases rules against the criteria developed by the Court of Justice and the General Court or disregards those criteria to the certain extent.[252] Moreover, in certain cases the examination of the relevant factors is not detailed enough or does not include a proper global and overall assessment of all important circumstances.[253]

One could say that this sporadically erroneous assessment taken by the Polish CTM court might be caused by the relatively recent accession by Poland to the European Union and, associated with that fact, a less extensive experience in the field of interpretation of the concept of the likelihood of confusion. I strongly believe that together with a greater experience regarding the interpretation of the factors that contribute to the determination of the risk of confusion, the quality of the Polish CTM court's decisions will improve. Moreover,

[250] See, i.e., *Red Bull* case p.11-17, Klimuszko case p.5-10
[251] See *PANORAMIC* case where the court contradicted its reasoning in *HAPPYDERM*; See *Lindt* case where the Supreme Court in case I CSK 96/08 disregarded its own reasoning in case I CSK 16/07
[252] See *Red Bull* case with regard to the improper assessment of the average consumer ; See *HAPPYDERM* case with regard to the incorrecr examination of the similarity of the word mark
[253] See, i.e. *Zimbo* case and *HAPPYDERM* case

the examination of the Polish CTM case-law showed that although usually the final assessment of the likelihood of confusion is correct, the statements of reasons of the examined decisions are, in general, short and lack an elaborate reasoning. Therefore, for the sake of a better application of the jurisprudence of the Court of Justice, I would recommend the preparation, by the Polish CTM court, of a more precise, extensive and longer analysis of all relevant factors. Finally, in cases of doubt, the Polish CTM court should, and the Supreme Court must, refer questions for a preliminary ruling in order to clarify the uncertainty concerning the assessment of the likelihood of confusion.

The occasionally erroneous examination of the likelihood of confusion undertaken by the Polish CTM court proves that the appreciation of the risk of confusion still constitutes a complicated and multiphase process. In my opinion, the Court of Justice of the EU developed a set of objective and practical criteria relevant for the appreciation of the likelihood of confusion. However, one must keep in mind that the assessment of the risk of confusion, as any other assessment, even if it comes as a result of applying objective criteria, will always be a subjective one. The fact that the Polish CTM judges make, in certain cases, erroneous or contradictory assessments and the fact that there are numerous appeals or even cassations from the decisions of the Polish CTM court, shows that the conditions for the assessment of the likelihood of confusion developed by the Court of Justice and by the General Court does not seem to be comprehensive and evident enough in order to give a transparent and direct guidance to the CTM courts. In that regard, the criticism could be raised with a reference to, in certain cases, the excessively broad and vague case-law of the Court of Justice of the EU, which does not take into account all most frequent circumstances that may arise with regard to the assessment of the risk of confusion. On the other hand, it is relatively difficult to predict and interpret all possible scenarios for the existence of the likelihood of confusion, since the examination of the risk of confusion is mainly based on a factual, case-by-case approach. However, in my opinion, since there is no legal definition of the notion of the likelihood of confusion, the Court of Justice should elaborate the already existing case-law, for instance with due regard to the assessment of the degree of similarity between marks and goods/services. The Court of Justice should also clarify the distinction between article 9.1.b) and 9.1.c) of the

Regulation as well as the distinction between “strong” and “weak” marks, since the distinctive marks or the marks with a reputation receive a greater protection. Moreover, in order to increase the adequacy and coherency of the CTM court’s decisions, perhaps it would be practical to introduce, to the infringement proceedings based on article 9.1.b) of the Regulation, the compulsory public pools, whereby a relevant amount of average consumers could express its opinion related to the similarity of the disputed marks. Additionally, it is admitted that the CTM judges should regularly receive a thorough training concerning the proper interpretation of the concept of the likelihood of confusion, delivered by ECJ judges and specialists from the CTM field. Finally, since the examination of the likelihood of confusion constitutes a problem for the CTM judges, perhaps it should be considered to create a legally binding definition of the concept of the risk of confusion, which would be incorporated in the text of the Regulation and the Directive.

I strongly believe that the enforcement of the above mentioned recommendations would contribute to the clarification of the concept of the risk of confusion as well as to the more effective application of jurisprudence of the Court of Justice of the EU and consequently to the more consistent and uniform enforcement of the CTM law in the European Union.

APPENDIX 1

The Directive's provisions	The Regulation's provisions
Article 4 **Further grounds for refusal or invalidity concerning conflicts with earlier rights** 1. A trade mark shall not be registered or, if registered, shall be liable to be declared invalid: (a) if it is identical with an earlier trade mark, and the goods or services for which the trade mark is applied for or is registered are identical with the goods or services for which the earlier trade mark is protected; (b) if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a **likelihood of confusion** on the part of the public; the likelihood of confusion includes the likelihood of association with the earlier trade mark.	***Article 8*** **Relative grounds for refusal** 1. Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered: (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 with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a **likelihood of confusion** on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.
Article 5 **Rights conferred by a trade mark** 1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade: (a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered; b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public; the **likelihood of confusion** includes the likelihood of	***Article 9*** **Rights conferred by a Community trade mark** 1. A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade: (a) any sign which is identical with the Community trade mark in relation to goods or services which are identical with those for which the Community trade mark is registered; (b) any sign where, because of its identity with, or similarity to, the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a **likelihood of confusion** on the part of the

association between the sign and the trade mark.	public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark.
Article 5 **Rights conferred by a trade mark** **(…)** 2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.	*Article 9* **Rights conferred by a Community trade mark** 1. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade: (…) (c) any sign which is identical with, or similar to, the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark.

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