The likelihood of confusion and the likelihood of association in Benelux and Community trade mark law: concepts, interpretations and evolutions

1. Evolution of the Benelux law from the standpoint of substance and form

When the three Benelux-founding countries signed the Treaty on 3 February 1958, they instituted this organisation for a limited term of 50 years from 1 November 1960. That term could be extended for periods of 10 years.

As this was an economic union, the three countries decided that, *inter alia*, there was a need to create a single trade mark rather than to juxtapose a common trade mark and national trade marks. This aim was achieved by the three countries promulgating a ‘uniform law’ (via the treaty of 19 March 1962), which entered into force on 1 January 1971.

The Benelux Court of Justice (BCJ), whose most important role – as will be seen below – was in the field of trade mark law, was set up by a later treaty that was signed on 31 March 1965 and entered into force on 1 January 1974. The Court has practically no other remit than to give preliminary rulings.

The law was amended for the first time in 1983, to incorporate protection for service marks, but pressure from Community and international developments brought fundamental amendments in 1992, 1996 and 2001:

- in 1992, the uniform law was revised in the wake of the adoption of First Council Directive 89/104/EEC of 21 December 1998 to approximate the laws of the Member States relating to trade marks (OJ EC L 40 of 11 February 1989);
- in 1996, an adaptation to the Marrakesh Accords (WTO) and more particularly to the TRIPS Agreement was required;
- lastly, its fourth amendment dates from 2001, which involved adaptation to the interpretation given by the Court of Justice of the European Communities (CJEC) to the First Directive and, notably, in the wake of the Puma/Sabèl judgment of 11 November 1997 (Case C-251/95), which interpreted the notion ‘likelihood of confusion which includes the likelihood of association’ and interpretation of Article 5(1)(b) of the First Directive.

Very recently, the formal aspect of the Benelux law has changed completely: the uniform law has been replaced by an international convention, the ‘Benelux Convention concerning Intellectual Property’ (BCIP), signed on 25 February 2005. It entered into force on 1 September 2006 for an indeterminate term. Henceforth, just one convention concluded between the three countries governs their trade mark and design/model law.

This convention had scarcely entered into force when it was amended by an instrument of 1 December 2006 (which entered into force on 1 February 2007) which aimed at bringing it into line with Directive 2004/48/EC of the European Parliament and of the Council of
29 April 2004 on the enforcement of intellectual property rights. The amendments related solely to articles addressing recovery of damages and ‘other actions’ that a trade mark proprietor might wish to instigate.

2. Origin of the notions of ‘likelihood of association’ and ‘likelihood of confusion’

The notions of ‘likelihood of association’ and ‘likelihood of confusion’ are contained, in terms of the Benelux countries, in Articles 2.3 and 2.20 of the BCIP (formerly Articles 3, 2 and 13.A.1b or 13.A.1 of the uniform law) and Articles 4(1)(b) and 5(1)(b) of the First Directive in terms of Community law.

The provisions corresponding thereto in the Community trade mark law are Articles 8(1)(b) (relative grounds for refusal) and 9(1)(b) (rights of the proprietor) (Council Regulation (EC) No 40/94 of 20 December 1993 on the Community Trade Mark (CTMR)) and Articles 4(1)(b) and 5(1)(b) of the First Directive.

Article 2.3 BCIP relates to the order of trade mark filing and therefore is a condition of validity of the trade mark (the ground for refusal relating thereto is contained in Article 2.28 BCIP). Article 2.20 BCIP defines the extent of the protection conferred on the trade mark proprietor.

Subparagraph 2.20.1 b, in particular, protects the rights conferred on the proprietor of exclusive rights in the case of an identical or similar sign for identical or similar goods or services.

The corresponding headings in the First Directive are those relating to ‘Further grounds for refusal or invalidity concerning conflicts with earlier rights’ (Article 4(1)(b)) and ‘Rights conferred by a trade mark’ (Article 5(1)(b)).

Current Article 2.3 BCIP stipulates that the filing level should be assessed by taking account of the rights that exist at the time of filing and that are upheld when challenged in respect of: ‘identical or similar trade marks filed in respect of identical or similar goods or services when there exists, on the part of the public, a likelihood of confusion which includes the likelihood of association with the earlier trade mark’.

Article 2.20.1.a BCIP states that the trade mark proprietor may prevent any third parties ‘making use in business of a sign in respect of which, owing to its identity with or similarity to the trade mark and owing to the identity or similarity of the goods and services covered by the trade mark and the sign, there exists, on the part of the public, a likelihood of confusion which includes the likelihood of association between the sign and the trade mark’.

In each case, this is a faithful transposition of Article 4(1)(b) of the First Directive.

Before the transposition of said Directive – which took place in two stages – the situation was substantially different.

In its original version – thus, before transposition of the First Directive – Article 3.2 of the uniform law, on the filing level, made no reference whatsoever to a notion of association: it
stipulated quite simply that ‘the filing level should be assessed by taking account of existing rights (...) in respect of ‘similar individual trade marks filed for similar goods’.

Also, in its original version, Article 13.A 1 of the uniform law relating to the extent of protection stipulated: ‘the exclusive right to the trade mark allows the proprietor to oppose any use made of the trade mark or of a similar sign for goods in respect of which the trade mark is registered or for similar goods’.

The two notions are clearly linked to the phenomenon of the identity or similarity of the trade mark and the identity or similarity of the goods or services designated by two trade marks.

Initially, therefore, legal instruments made no mention of any ‘likelihood of association’.

So, where did the concept of ‘likelihood of association’ come from?

We owe this to the Benelux Court of Justice.

The Benelux Court of Justice (BCJ) was requested by the Belgian Supreme Court of Appeal to address the interpretation of Articles 3(2)(b) and 13.A 1 of the uniform law as they stood at the time. The specific problem to be solved was that of determining whether the trade marks ‘Union’ and ‘Union Soleure’ (in respect of watches) were similar (the Jullien/Verschuere case).

It should be noted right away that ‘similarities’ fall *par excellence* into the field of individuals’ perceptions.

In its judgment of 20 May 1983, the BCJ interpreted the notion of ‘similarity’ as follows: ‘there is similarity between a trade mark and a sign when, given the particular circumstances of the case in point, particularly the distinctive character of the trade mark, the trade mark and the sign, considered per se and in terms of their mutual relationship, are aurally, visually or conceptually so similar as to establish an association between the sign and the trade mark’.

The Court was ruling at a time when Article 4 of the First Directive did not yet exist.

3. *Explanation of this ‘Benelux approach’*

It was far from obvious that the BCJ would give such an interpretation! To assist determination of the scope of infringement of a trade mark, was it necessary to refer to the concept of association between the trade mark and an allegedly ‘similar’ sign?

What, in reality, is an ‘association’ in the field of perceptions or cognitive acts?

Psychologists explain association as a link that exists between two mental representations. This is a human being’s cognitive power: the power to make a connection between perceptions of entities.
A mental representation or cognitive representation is the image that an individual has of a situation. It relies on sensations and on memory. A number of representations are possible: mental image, semantic memory, concepts and categories.

The BCJ’s approach therefore implies that nothing other than an individual’s making a cognitive link between the trade mark and a sign is required per se for a trade mark proprietor’s rights to be infringed.

The underlying idea is that as soon as a sign is capable of giving rise to an association with a trade mark, the public will establish a link that may be detrimental to the trade mark.

It is, however, established that an individual’s ability to associate mental representations is absolutely essential when that individual is attempting to orientate himself or herself within a mass of mental representations: association is indeed intimately linked to the power of differentiation! No association without prior distinction!

With this approach, a trade mark proprietor in fact enjoys a level of protection that appears to far outstrip a mere defence against similarities.

4. The ‘likelihood of confusion’ comes into being and becomes established


Its genesis is a very good illustration of the difference between the concepts of ‘association’ and ‘confusion’.

The concept of ‘likelihood of confusion’ first made an appearance in 1980, when this Directive was first proposed.

Article 3 grants the trade mark proprietor the possibility of filing an opposition when the use of an identical or similar sign for identical or similar goods creates a serious likelihood of confusion on the part of the public.

However, in 1983, the Parliament preferred to opt instead for a system differentiated in accordance with two cases: (1) – any use of an identical sign for identical goods is prohibited (infringement, pure and simple); and (2) – when the sign is similar or identical for similar goods, it is the likelihood of confusion on the part of the public that will be decisive (irrespective of the fact that the confusion might or might not relate to the origin of the goods).

The Commission was won round to this solution – an indiscreet expert told us of this fact – and it was finally through the influence of Belgian representatives in the Working Group established within the Commission that the words ‘which includes the likelihood of association’ were added to the phrase ‘likelihood of confusion’. This formula appears in Articles 4(1)(b) and 5(1)(b) of the First Directive (and in Articles 8 and 9 of the Regulation).
It was believed that by means of this addition, BCJ case-law could have been retained – a vain hope. As will be seen below, the CJEC decided otherwise.

The transposition of this Directive required a significant amendment to the Benelux uniform law in 1992. Deeming the likelihood of association to be included in the likelihood of confusion, the Benelux countries initially made no mention in the relevant legal provisions other than of the following hypothesis: ‘there exists on the part of the public a likelihood of association between trade marks and between the trade mark and the similar sign’.

They thus upheld the BCJ interpretation.

**However, when the First Directive was promulgated there could no longer be any major doubt that these were two very different notions.**

The tenth recital of the First Directive unequivocally states that ‘it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion’.

This was, furthermore, the logical choice. Confusion presupposes the existence of association: the impossibility of making a distinction or an error in making a distinction implies a prior association. On the other hand, association does not have to lead to confusion and in no way implies this.

The CJEC’s interpretation of Community law marked the end of the concept of ‘likelihood of association’.

In four judgments, the Court of Justice established an interpretation of Article 4(1)(b) in the sense of likelihood of confusion and subsequently had to rule on a number of points that required clarification, namely the hypothesis of identical or similar trade marks covering identical or similar goods.

These were the judgments in Puma/Sabèl of 11 November 1997 (Case C-251/95), Canon/Metro-Goldwyn-Mayer of 29 September 1998 (Case C-39/97), Lloyd Schuhfabrik Meyer/Klijisen of 22 June 1999 (Case C-342/97) and Adidas/Marca Mode of 22 June 2000 (Case C-425/98).

In a fifth judgment (Medion/Thomson of 6 October 2005 (Case C-120/04)), the court made reference to and upheld all the principles decided previously.

In summary, the Puma/Sabèl judgment establishes the following principle: *the mere association which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion*. This teaching is upheld by the Canon/Metro-Goldwyn-Mayer judgment.

The court based its ruling not only on the text of Article 4(1)(b) but also on the tenth recital of the First Directive, explaining that the notion of ‘likelihood of association’ is not an alternative to the notion of likelihood of confusion, but serves to determine the extent thereof. The tenth recital clearly points out that the likelihood of confusion is the condition for protection.
It should be noted that in the Puma/Sabèl judgment, the CJEC opted for the principle of confusion, without giving a positive definition of the concept of ‘likelihood of confusion’ which includes the likelihood of association.

It was to provide this later in the Canon/Metro-Goldwyn-Mayer judgment, defining it as follows: the likelihood of confusion is to be understood as being ‘the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically linked undertakings’.

This reveals the possibility of a direct and an indirect likelihood: the former relates to the link between the trade marks and sign; the latter to the link between the proprietors of the trade marks and signs.

**Evolution of BCJ case-law**

From the time of the Puma/Sabèl judgment onwards, the BCJ no longer had room for manoeuvre and it incorporated this Community case-law into its judgment of 2 October 2000 (Brouwerij Haacht/Grandes Sources belges: on the subject of the Val and Valvert trade marks).

However, it did make a distinction between the periods before and after 31 December 1992, that date being the deadline for Member States to adapt their legislation to the First Directive.

The BCJ interprets Benelux law in accordance with the meaning of the First Directive only in respect of events occurring after 31 December 1992.

The BCJ furthermore confirmed its position in the Adidas/Marca Mode judgment of 7 June 2002 (in the wake of the CJEC judgment of 22 June 2000 in the same case).

**5. The principle of the likelihood of confusion**

As likelihood of confusion is linked to the question of similar trade marks and similar goods, it is now time to look a little more closely at the various points to be clarified in connection with this risk: when signs are similar and goods or services are similar, how is the likelihood of confusion to be assessed and in respect of which public?

**a. How to form an assessment**

In the Puma/Sabèl case, the German court (Bundesgerichtshof) made a Reference to the CJEC for a preliminary ruling on whether the analogous semantic content of trade marks was sufficient ground for concluding that there is a likelihood of confusion. It is insufficient.

The CJEC’s reply is unambiguous: it must be appreciated ‘globally, taking into account all factors relevant to the circumstances of the case and, in particular: the recognition of the trade mark on the market, the association which can be made with the used or registered sign, and the degree of similarity between the goods or services identified’ (Puma/Sabèl judgment).
Next: ‘globally’ means that the visual, aural or conceptual similarity must be based on the overall impression produced by the marks, bearing in mind, in particular, the distinctive and dominant components of the trade mark.

Why does it have to be appreciated globally? Because the average consumer perceives a mark as a whole and does not proceed to analyse its various details. Who is this consumer? He is the average consumer of the type of goods in question.

It should also be noted that in the global approach one aspect of similarity (e.g. aural similarity) may be counteracted by visual and/or conceptual dissimilarities (Ruiz-Picasso judgment of 12 January 2006 (Case C-361/04 P)). Very recently, the CJEC was able to refer to the importance of the global approach to be adopted in the case of a composite mark of a visual nature that comprises a dominant component: it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (Shaker judgment of 12 June 2007 – Limonchelo trade mark (Case C-334/05 P)).

In the very specific case of the Medion/Thomson judgment of 6 October 2005 (Thomson – Life Thomson trade marks (Case C-120/04)), the CJEC had to rule on a case in which an earlier composite sign including the name of a company retains an independent distinctive role, without necessarily constituting the dominant component. In such a case, the overall impression produced by the composite sign may lead the public to believe that the goods or services derive, at the very least, from companies which are linked economically.

The CJEC accepted ‘that where the goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein’.

b. The role of a trade mark’s distinctive character

In the Canon/Metro-Goldwyn-Mayer judgment, the CJEC considered two questions concerning Article 4(1)(b) of the First Directive: (a) the effect of distinctive character on the assessment of similarity and the likelihood of confusion and (b) the likelihood of confusion for the public when the goods have different places of origin.

It stated (a) that the distinctive character and reputation of the trade mark must be taken into account when determining whether the similarity is sufficient to give rise to confusion and (b) that there may be a likelihood of confusion where the public perception is that the goods or services have different places of production. By contrast, there can be no such likelihood where the public cannot believe that the goods come from the same undertaking or from economically linked undertakings.

This Canon/Metro-Goldwyn-Mayer judgment further lays down that the global assessment implies some interdependence between the factors taken into account and in particular a
similarity between the trade marks and between the goods: a lesser degree of similarity between the goods may be offset by a greater degree of similarity between the marks, and vice versa.

The place of distinctive character in this global approach depends on its degree of distinctiveness: ‘the more distinctive the earlier mark, the greater the risk of confusion’. This principle, which is, admittedly, logical in an approach to the likelihood of association is perhaps less so in the context of confusion.

It has been maintained – perhaps not incorrectly – that the more distinctive a trade mark, the more easily the average consumer will be able to distinguish it and to ignore signs that resemble it.

Lastly, when is this distinctiveness important? This must be determined as a function of the sign’s capability to identify the goods in respect of which the trade mark is registered as originating from a specific undertaking and thus of distinguishing them from the goods of other undertakings.

The CJEC, however, ruled in the Adidas/Marca Mode judgment that the reputation of a mark does not give grounds for presuming per se the existence of a likelihood of confusion simply because of the existence of a likelihood of association.

A comparison of BCJ case-law provides astonishing parallels. This Court in particular established the principle of the synthetic approach and the need to take account of all factors relevant to a case. It also made particular reference to distinctive character and the importance of this distinctive character in terms of likelihood of association.

c. The problem of the similarity of goods, which is closely linked to that of similarity between trade marks

The Benelux Convention always refers to these two aspects together, and the same is true of Community case-law: the greater the similarity between trade marks, the more dissimilar the goods may be.

Furthermore, it is accepted that similarities are more important than differences.

The underlying idea is that if the link between the goods is sufficiently close, then the public perceiving them may believe they have a common origin.

So when are goods and services deemed to be similar?

The Canon/Metro-Goldwyn-Mayer case states: ‘goods or services are deemed to be similar when there is a sufficiently close link between them for the public, perceiving a trade mark that is identical or similar thereto, to be able to attribute a common origin to them’.

On what basis is similarity assessed? What are these most important indications? The decisive factors are the nature of the product and its end user.
Once again, the Canon/Metro-Goldwyn-Mayer judgment makes it clear that in assessing the similarity of goods or services ‘all the relevant factors relating to those goods or services themselves should be taken into account’.

Furthermore, the CJEC adds that those most important factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.

On the other hand, the administrative classification adopted for the purposes of trade mark registration (Nice Arrangement) is of no relevance. The BCIP stipulates this expressly (Article 2.20.3).

A comparison, now, with BCJ case-law concerning the similarity of goods or services. In the Linguamatics/Stichting Polyglot judgment of 16 June 1995 (Polyglot trade mark), the BCJ decided ‘that in order to rule whether the goods or services are similar or not, the decisive factor is to ascertain the extent to which the public considers the goods or services to be similar, from the commercial, technical or another standpoint, to the goods or services of the trade mark proprietor’.

d. The perception of which public is to be taken into account when assessing the likelihood of confusion?

The Lloyd Schuhfabrik Meyer judgment of 22 June 1999 (‘Loint’s’ trade mark) – in which reference is, furthermore, made to the major principles – lays down that this assessment is to be made in respect of the *average consumer who is reasonably well-informed and reasonably observant and circumspect*.

Why is this? Because this consumer only rarely has the chance to make a direct comparison between the signs and marks presented and has to place his trust in the imperfect picture of them that he has kept in his mind, it also being possible for the consumer’s level of attention to vary according to the category of goods or services in question. The consumer has to rely on successive mental representations – sight, hearing, intellect – and rarely sees the trade marks together.

6. Uniformity of interpretation in respect of Articles 4(1)(b) and 5(1)(b) of the First Directive

In the fourth judgment cited (Adidas/Marca Mode of 22 June 2000), the CJEC was asked by the Netherlands Hoge Raad – which, furthermore, was asking identical questions of the BCJ – to rule expressly in respect of the criterion ‘the likelihood of confusion which includes the likelihood of association’ and, more precisely, on the subject of possible differences between the scope of Articles 4(1)(b) and 5(1)(b) of the First Directive.

This might be seen as a last attempt on the part of defenders of the ‘likelihood of association’ to regain ground.
The CJEC’s response was negative: there is no difference between the scope of the two provisions concerning ‘the likelihood of confusion which includes the likelihood of association’. Their interpretation is identical.

7. Conclusion

(a) The criterion of ‘likelihood of confusion which includes the likelihood of association’ is clearly distinguished from the criterion of likelihood of association. One might maintain that, in light of the tenth recital of the First Directive, the addition of the words ‘which includes the likelihood of association’ in Articles 4 and 5 thereof is unfortunate because, logically, these words were superfluous and gave rise only to ambiguity.

(b) The specific influence of the CJEC on BCJ case-law and its supremacy appears obvious. The criterion of the likelihood of association for defining the protection of a trade mark against any sign resembling it in respect of identical or similar goods is abandoned by the BCJ as of its first judgment after the Puma/Sabel judgment, even before the uniform law was amended in 2001 to bring it into line with CJEC case-law.

(c) The influence can be seen, also, in the opposite direction. The CJEC undeniably draws inspiration from BCJ case-law in the field of similar trade marks and signs for identical or similar goods or services: the synthetic or global assessment of the trade marks, the criteria relating to similarity (visual, aural, conceptual), the importance of distinctive character (weaker or stronger trade marks), and the similarity of the goods or services.