Likelihood of confusion: The nature of the criterion of an "independent distinctive role"

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I. Introduction

European trade mark law, composed of the Community trade mark system and the partially harmonised national trademark systems, is anchored in the fundamental principle of undistorted competition and trademark protection is regarded as an element of this principle\(^1\). As a feature for determining the content of trademark protection, i.e. the scope of trademark rights, the concept of undistorted competition is reflected by the requirement that trademarks have to guarantee the origin of the goods bearing the mark. Trademarks allow customers to identify goods and services and thus create a link between the goods and services and the undertaking responsible for their marketing and their quality.

As a matter of principle, trademark law and free competition are not in conflict with each other. On the contrary, rather than restraining competition, trademarks are indispensable elements for competition to function properly. By providing information about the commercial source of goods or services and thus enabling consumers to repeat purchases that were satisfactory, trademarks provide an incentive for entrepreneurs to maintain and improve the quality of the goods or services supplied under the mark. Furthermore, by contrast to other intellectual property rights such as patents, the objective of trademark law is not to confer an exclusive market position for certain goods or technologies. Competition thus remains free. Those entering the market only have to use another sign so as to indicate the different commercial origin\(^2\).

Easy access to trademark protection is of essential importance for the proper functioning of trademarks as an element of undistorted competition. The level of accessibility is largely determined by the overall volume of prior rights existing on the Community level as well as under national law posing obstacles for protection of new signs. It is true, however, that the difficulties for newcomers to find a sign which is not blocked by a prior mark — and which can easily be pronounced and remembered, and gives rise to positive associations without being descriptive — are bound to increase in proportion with the size of registers\(^3\).

In that context, marks which are identical, or similar enough to be confused, should not coexist unless the goods or services for which they are used are sufficiently dissimilar to rule out the danger of confusion. Trademarks are therefore protected by a basic rule which prevents the registration or use of a sign identical or similar to a registered trademark, for goods or services identical or similar to those for which the mark is registered. To put it more graphically, around each trade mark there is an ‘exclusion zone’ which other marks may not enter. The extent of that zone will vary according to circumstances. An identical or extremely similar mark must be kept at a greater distance in terms of the goods or services covered.

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2 ‘Study on the Overall Functioning of the European Trade Mark System’ presented by Max Planck Institute for Intellectual Property and Competition Law, 15.02.2011, p. 50-52
3 ‘Study on the Overall Functioning of the European Trade Mark System’ presented by Max Planck Institute for Intellectual Property and Competition Law, 15.02.2011, p. 53
Conversely, a mark used for identical or extremely similar products must be kept at a greater distance in terms of similarity with the protected mark.

II. Stating the problem

Probably one of the most subjective areas of trade mark law is the question of when are two trademarks confusingly similar.

The similarity test will be elaborated in the present work in the light of two other relevant concepts: on the one hand, the general issue of consumer confusion and on the other, the particular problem of the newly emerged case-law criterion of an independent distinctive role. Such a route serves the final purpose of seeking to place the latter within the rationale of the likelihood of confusion standard. This paper will further attempt to examine the role and scope of the independent distinctive role criterion.

The investigation will consist of three chapters. The first one deals with a study of the general concepts regarding the likelihood of consumer confusion between an earlier and a later mark.

The second chapter is devoted to an in-depth exam of the standards for similarity of marks assessment as one of the factors for establishing a likelihood of confusion. In particular, the chapter observes the development and gradual elaboration of those standards in step-like manner – every next standard is formed as an exception to the previous one.

Finally, the third chapter embarks on an assessment of the existing issues raised by the independently distinctive role which an earlier mark retains in a later mark. Here, because of the blanket (formulaic) nature of the term ‘independent distinctive role’, we take a look at the most significant case-law developments on EU level, as well as on national level, in order to provide some remedies and solutions, seeking in particular a more nuanced test which allows an accurate and consistent application of all case specific factors.

III. The likelihood of confusion concept in European trademark law

1. Legislative framework and scope of application

Within the European Community, trade mark law comprises two limbs. On the one hand, there is a system of Community trademarks, valid throughout the Community and governed by the Community Trade Mark Regulation. On the other, there are separate systems of national

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4 Advocate General’s opinion to Case C-252/07, Intel Corporation Inc. v Cpm United Kingdom Limited (INTEL), Para 6.
5 If we are to consider a more strict application of the provisions of the Lisbon Treaty, that would require converting the term ‘Community trademark’ to ‘Trademark of the European Union’ in order to synchronise it with the new term ‘Court of Justice of the European Union’ which was substituted for ‘The European Court of Justice’.
trademarks, each limited to the Member State concerned but to a very large extent harmonised by the Trade Marks Directive\(^7\).

The Directive and the Regulation were drafted in parallel, and many of their substantive provisions are similar, so that interpretation of one is often transposable to the other. That is also relevant in the present case with regard to the scope of application of the likelihood of confusion criterion. This criterion serves as a requirement for the application of several community provisions, in particular regarding:

- **Relative grounds for refusal or invalidity of registration** - the 11\(^{th}\) recital of the TMD together with art.4 (1)(b) TMD and the 8\(^{th}\) recital of the CTMR together with art.8 (1)(b)

- **Trademark infringement** – art. 5 (1)(b) TMD, art. 9 (1)(b) CTMR.

According to the abovementioned provisions, while the basic protection afforded by community trademark law is absolute in the case of the so called ‘double identity’ (identity between an earlier mark and the sign for which registration is sought and between the goods or services covered by the two), in the cases of:

- **similarity** between the mark and the sign and **identity** between the goods or services;
- **identity** between the mark and the sign, but only **similarity** between the goods and services;
- **similarity** between the mark and the sign and **similarity** between the goods and services;

the likelihood of confusion is the specific condition for such protection.

### 2. **Principles for interpretation of the legislative framework**

In the European trademark system the decisions of the European Court of Justice (ECJ) – now given the name of ‘Court of Justice of the European Union (CJEU)’\(^8\) - have played a fundamental role. The Court has interpreted the concept of likelihood of confusion on a number of occasions\(^9\) in the context of the identical provision of TMD and CTMR and over the years has developed a number of guiding principles to help in this tricky area of practice.


\(^8\) Hereinafter referred to as ‘The Court’

The principles established by ECJ’s case-law in the registration context also apply to infringement and can be summarised as follows:

- The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- The matter should be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparison between marks and must instead rely upon the imperfect picture of them he has kept in his mind and whose attention varies according to the category of goods and services in question;
- The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- The visual, aural and conceptual similarities must normally be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the bases of dominant elements;
- Nevertheless, the overall impression conveyed to the relevant public by a composite trademark may, in certain circumstances, be dominated by one of its components;
- And beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- A lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods and services, and vice versa;
- There is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- Mere association, in the strict sense, that the later mark brings the earlier mark to mind, is not sufficient for establishing a likelihood of confusion;
- The reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- If the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion;

3. **Definition of the likelihood of confusion**

In likelihood-of-confusion cases under current law as interpreted by the ECJ the origin-indicating function of the trademark is infringed. For the ECJ it follows from this “essential” function of a Community trademark that likelihood of confusion must be defined by reference to the risk that the public may attribute the same origin to the goods or services, i.e. the risk that
the public might believe that the goods and services in question come from the same undertaking or from economically linked undertakings. What matters is the likelihood that the public believes that the control of the goods or services in question is in the hands of a single undertaking. That control can be assumed to exist in the case of enterprises belonging to the same group of companies (“concern”), in the case of licensing, merchandising or distribution arrangements as well as in any other situation where the public assumes that the use of the mark is normally possible only with the agreement of the trade mark proprietor. The origin which the trade mark is intended to guarantee is the same: it is not defined by reference to the manufacturer but by reference to the point of control of manufacture.

4. **Types of likelihood of confusion**

4.1. **Confusion between the marks themselves (direct confusion)**

Confusion will generally be inevitable where the differences between the marks and the goods are so small that there is a risk that the public will either not notice them or forget or disregard them and thus confuse the marks directly by mistaking one for the other.

4.2. **No confusion between the marks themselves but confusion as to origin (indirect confusion)**

The Court stressed in *Sabèl* that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope. In *Adidas* the Court added that the likelihood of confusion can never be assumed from a mere likelihood of association, even in cases involving earlier reputed marks.

Hence, if perception of one mark merely brings to mind the memory of the other, but the public remains aware of their differences and is not of the opinion that the goods/services in connection with which the mark is used may have the same origin (understood in the broad sense as including economically linked undertakings), there can be no likelihood of confusion.

Thus the mere association that the public might make between two marks in view of certain common features is not enough for the purposes of establishing a likelihood of confusion. However, in many cases the overlaps between the marks may be sufficient to suggest a common origin even where one mark is not mistaken for the other. The ECJ has accepted that “association” is one form of “confusion”, not an independent concept.

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11 Ideal Standard, i.e. Case C-9/93, *IHT Internationale Heiztechnik GmbH and Uwe Danzinger v Ideal Standard GmbH and Wabco Standard* [1994], Para 37

12 *Sabel*, par. 16

13 *Sabel*, par. 18

14 Case C-425/98 *Marca Mode CV v. Adidas AG*, par. 41

Accordingly, there may also be a likelihood of confusion where the relevant public is able to distinguish between the marks themselves, but still may believe that the goods originate from the same undertaking or economically-linked undertakings. One such instance is the case of a family of trade marks. House marks or product-line identifiers are often combined with other secondary elements in a family of marks showing common origin. Such a systematic use of a basic component by the owner himself in various combinations of signs and in different contexts might lead the public to disregard any secondary differences in the case of third marks built around the same “core” element, as it will believe that they merely indicate a new product in a product-line from the same business entity.

In this regard, it should be noted that it is common in the clothing sector for the same mark to be configured in various ways according to the type of product which it designates. It is indeed common for a single clothing manufacturer to use sub-brands (signs that derive from a principal mark and which share with it a common dominant element) in order to distinguish its various clothing lines from one another.\(^{16}\)

Likelihood of confusion on the part of the public includes all the instances where the public may come into contact with the earlier and the later mark or with both. This also follows from the fact that infringement actions are available against use of a sign in advertising.

Thus, consideration must be given

- to pre-sale confusion, e.g. confusion arising in the course of advertising of goods or services;
- to confusion at the time or in the context of purchasing the goods or services, such as when making purchases in a supermarket, by telephone, by mail-order, or through the Internet;
- to post-sale confusion, i.e. to confusion arising after the goods or services have been purchased; this is relevant for example when packaged goods are purchased and the confusion arises only when the goods are unpacked; or where the goods or services are purchased by “discriminating” purchasers but are actually used by a broader category of users (members of the family, etc.).

5. **Purpose of the confusion standard**

Trademark law frequently refers to the confusion of consumers or the probable confusion of consumers. The reason for this is to protect consumers. By providing a business with the incentive to increase profits by the grant of trademark protection, trademark law gives consumers some amount of control over the quality of products they buy. If one brand pleased the customer more than another, that customer can easily find the brand they liked without having to read ingredient labels or scrutinize packaging. This saves the consumer time and allows him to make informed purchase decisions. For this reason, the standard of when a trademark right is being infringed has entirely to do with whether or not a consumer is going to be confused, and thus deprived of making informed purchasing decisions.

6. **Criteria for assessing the likelihood of confusion**

\(^{16}\) see Judgments n° T-385/09 of Court of First Instance of the European Communities, February 17, 2011 (Ann Taylor Loft), Para. 45; Joined Cases T-117/03 to T-119/03 and T-171/03 New Look v OHIM – Naulover (NLSPORT, NLJEANS, NLACTIVE and NLCollection) [2004] ECR II 3471, paragraph 51 and case-law cited
In determining likelihood of confusion, courts evaluate several factors. No one factor is determinative in and of itself, and how important one factor is over another is very case specific. The existence of a likelihood of confusion on the part of the public must be appreciated globally, taking into account all factors relevant to the circumstances of the case. No one factor is determinative in and of itself, and how important one factor is over another is very case specific.

However, it must be stressed that the various factors relevant for any given case do not have a fixed, standard value. Rather, the value of these factors may vary depending on the case. What matters is the degree of the similarity of the goods/services and the signs, the degree of distinctiveness of the earlier mark and the impact of any other relevant factor. The final result depends on a balance of the degree (value) of each relevant factor.

The Court held that a “global assessment of the likelihood of confusion implies some interdependence between the relevant factors … Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa”. The interdependence of those factors is expressly referred to in the 8th Recital of the preamble to Regulation No 207/2009, according to which the concept of similarity is to be interpreted in relation to the likelihood of confusion, “the appreciation of which depends on numerous elements”.

As a practical consequence, the mere fact that similarity of both goods/services and signs is found does not automatically lead to a likelihood of confusion. It is therefore of little avail to state in a decision that the goods/services are similar and that the signs are similar. What the examiner must spell out, rather, is the degree of the respective similarity.

- Likelihood of confusion may be found where there is a low degree of similarity of the goods/services (signs) in question but where the degree of similarity of the signs (goods/services) is high and/or where the earlier mark enjoys a high degree of distinctiveness.
- Conversely, likelihood of confusion might not be found where there is a low degree of similarity of the goods/services (signs) even if the signs (goods/services) are identical and/or where the earlier mark is of an average or low degree of distinctiveness.

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17 see CAPIO judgment of 10 September 2008 in Case T- 325/06 Boston Scientific v OHIM – Terumo (CAPIO), not published in the ECR,, paragraph 71 and the case-law cited; see also, by analogy, Case C- 251/95 SABEL [1997] ECR I- 6191, paragraph 22; Canon Case C- 39/97 Canon [1998] ECR I- 5507 paragraph 16; and Lloyd Schuhfabrik Meyer, paragraph 18 Shaker para 34, SABEL, paragraph 22; Lloyd Schuchfabrik Meyer, paragraph 18; Case C-425/98 Marca Mode [2000] ECR I-4861, paragraph 40; order in Matratzen v OHIM, paragraph 28; Medion, paragraph 27; and Case C-206/04 P Mülhens v OHIM [2006] ECR I-2717, paragraph 18

18 In the pharmaceutical industry, for example, the high degree of similarity of the marks, though registered for identical goods, is overwhelmed by another factor – the manner of marketing the goods in question. Most pharmaceuticals are sold under prescription by professional pharmacists, who being experts in the field would extremely rarely mistake one mark for the other.

19 Case C- 234/06 P Il Ponte Finanziaria v OHIM [2007] ECR I- 7333, paragraph 48; Case T- 6/01 Matratzen Concord v OHIM – Hukla Germany (MATRATZEN) [2002] ECR II- 4335, paragraph 25; see also, by analogy, Canon, paragraph 17; Ann Taylor Loft, Para. 19

20 see also CAPIO, paragraph 72 and the case-law cited
Likelihood of confusion may or may not be found where the earlier mark enjoys a high degree of distinctiveness depending on both the degree of similarity of the goods/services and the signs.

Likelihood of confusion is a legal concept. Its assessment, however, depends both on legal and factual criteria. The basic legal requirements for determining likelihood of confusion under community trademark law are laid down in Article 4(1)(b) and the 11th recital to the TMD and in parallel in Article 8(1)(b) and the 8th recital to the CTMR.

Recital 11th to the TMD (respectively Recital 8th to the CTMR) states that the appreciation of the likelihood of confusion depends on numerous elements and, in particular, on 'the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified' and Article 4(1)(b) TMD (respectively Article 8(1)(b) CTMR) reiterates that there exists a likelihood of confusion on the part of the public because of the later mark’s identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks.

A number of factors relevant to the likelihood of confusion assessment have been derived from practice, in particular from the cases decided by the OHIM’s Opposition Division and Boards of Appeal or by the ECJ.

Likelihood of confusion depends in particular on the criteria set out below:

6.1. **Degree of similarity of the goods and services in question**

That means whether or not the goods or services using the same mark compete with one another and whether or not the goods or services are so closely related that they are being marketed through the same stores or channels of distribution. Marks that are used on similar or related goods or services are more likely to confuse consumers as to the source of those goods or services. Even where the products of the proprietor of the later mark are not exactly similar to those of the proprietor of the earlier mark, the court may in some cases consider how likely the proprietor of the earlier mark is in the future to sell similar products.

In addition, according to settled case law, in order to assess the similarity of the goods at issue, all the relevant features of the relationship between those goods or services should be taken into account, including, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary.

6.2. **Degree of similarity of the signs**, i.e. whether the marks are similar in appearance, phonetic sound, or meaning.

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21 Judgments no T-400/06 of Court of First Instance of the European Communities, September 16, 2009 (Zero case), para 33; Case T-85/02 Díaz v OHIM – Granjas Castelló(CASTILLO) [2003] ECR II-4835, paragraph 32, and Case T-346/04 Sadas v OHIM – LTJ Diffusion(ARTHUR AND FELICIE) [2005] ECR II-4891, paragraph 33). Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, to that effect, Case T-164/03 Amapfrance v OHIM – Johnson & Johnson (monBeBé) [2005] ECR II-1401, paragraph 53.
(This matter will be discussed in detail in the next chapter.)

6.3. **Degree of distinctiveness** (inherent or acquired), strength or reputation of the earlier mark, i.e. the legal strength of each of the marks. The greater the public recognition of a mark as a source identifier, the more likely that similar uses will be confusing.

The chance of there being a likelihood of confusion on the basis of the ideas (or concepts) that underlie a mark is particularly influenced by the distinctiveness of the earlier mark\(^{22}\).

As it is found by ECJ in *Sabel*, “the more distinctive the earlier mark, the greater will be the likelihood of confusion”\(^{23}\). Therefore marks with a highly distinctive character, either *per se* or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character\(^{24}\).

6.4. **Degree of sophistication and attention of the relevant public**, i.e. of the actual or potential customers of the category of goods or services in question.

Of importance is how careful the consumer is likely to be prior to purchasing. The more sophisticated the consumer (e.g. business owners versus children), or the more expensive the product, then the more discriminating the consumers are expected to be, and the less likely confusion will be attributed to them.

In that context, according to settled case law, for the purpose of an overall assessment of the likelihood of confusion, it must be borne in mind *inter alia* that the average consumer’s level of attention is likely to vary according to the category of goods or services in question\(^{25}\).

6.5. **Coexistence of the conflicting marks on the market** in the same territory (the so called ‘parallel trading’).

Admittedly, the possibility cannot be entirely excluded that, in certain cases, the coexistence of earlier marks on the market could reduce the likelihood of confusion which the Opposition Division and the Board of Appeal find to exist as between two marks at issue. However, that possibility can be taken into consideration only if, at the very least, during the proceedings before OHIM concerning relative grounds of refusal, the applicant for the Community trade mark duly demonstrated that such coexistence was based upon the absence of any likelihood of confusion on the part of the relevant public between the earlier marks upon which it relies and the intervener’s earlier mark on which the opposition is based, and provided that the earlier marks concerned and the marks at issue are identical\(^{26}\).

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\(^{22}\) Lionel Bently & Brad Sherman, “Intellectual Property law”, second edition, p. 859

\(^{23}\) ECJ case C-251/95 *Sabel BV v. Puma AG*. P. 24.


\(^{25}\) see *Zero case*, Para. 27; Case C-361/04 *P Ruiz-Picasso and Others v OHIM* [2006] ECR I-643, paragraph 38 and the case law cited

Of relevance is also the question whether or not the companies are accessing overlapping customer bases. If the companies both sell largely to senior citizens, to teachers, or to home-based business owners, there is more likely to be consumer confusion.

6.6. **Incident of actual confusion**

The question of a likelihood of confusion is an abstract question rather than whether anyone has been confused in practice. Although incidences of actual confusion are not conclusive evidence of likelihood of confusion, they must be weighed together with the other factors.

Trademark law seeks to proactively prevent consumer confusion, and thus it does not require proof of actual consumer confusion in order for infringement of another company’s trademark to occur. All that is necessary is for the trademark owner to be able to prove that a hypothetical, "reasonably prudent" consumer would likely be confused by the use of the same or a similar trademark on potentially competing products. What's more, the hypothetical purchaser is not expected to make detailed, side-by-side comparisons, or to have perfect recall. Infringement is not limited to confusion of consumers as to source, but includes confusion of any kind with respect to consumers or potential consumers. Courts have even found a likelihood of confusion to exist where the public at large could be confused, even though the actual purchasers themselves are not confused (e.g. the outer packaging that gets thrown away contains a large disclaimer, but the product inside is still confusing).

**IV. Assessment of the similarity of marks**

1. **The global approach**

The assessment of similarity of signs must not only be based on some isolated elements, but on the global appreciation of both signs under comparison and it requires the Court to balance the competing factors. In conducting that balancing exercise emphasis now is being placed upon the need for appraisal of the net effect of the observable differences and similarities between marks.

According to settled case law the global assessment of the likelihood of confusion, in relation to the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.

The principle that marks must always be assessed without dismemberment or excision is axiomatic in the Community law of trademarks, just as it always was in the national laws of the Member States prior to harmonisation. The reason for the rule is clear: people do not normally

27 see for example Case C-120/04 Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH (6 October 2005) at paragraphs 28 to 37 and Case C-361/04 P Ruiz-Picasso and Others v. OHIM (12 January 2006) at paragraphs 18 to 27 and 36 to 48.

28 see Case C- 334/05 P OHIM v Shaker [2007] ECR I- 4529, paragraph 35; SABEL, paragraph 23; Lloyd Schuhfabrik Meyer, paragraph 25; Medion, paragraph 28; Mülhens v OHIM, paragraph 19; and order in Matratzen Concord v OHIM, paragraph 29.
pause to construe marks; they take them as they find them. The wording of Article 8(1)(b) of Regulation No 207/2009 – ‘there exists a likelihood of confusion on the part of the public’ – shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global assessment of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details

For the purposes of the global assessment of the likelihood of confusion, the average consumer of the goods concerned is deemed to be reasonably well informed, and reasonably observant and circumspect. Furthermore, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should also be borne in mind that the average consumer’s level of attention is likely to vary according to the category of goods or services in question.

It also follows from the case-law that two marks are similar where, from the point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects, namely the visual, aural and conceptual aspects.

As regards conceptual similarity the Court has developed some arguments in Giorgio Beverly Hills case and in Center Shock case. It held that unlike the words ‘beverly hills’, which refer to a particular geographical place with which the target public is familiar, the word ‘shock’ in the ‘Center Shock’ trade mark does not have a strong semantic value which, combined with that of the word ‘center’, produces a whole that is conceptually different from the ‘Center’ mark.

The visual and phonetic similarities of the marks may in addition be counteracted by conceptual differences. For that to be the case, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately and the other mark must have no such meaning or an entirely different meaning.

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29 see Ann Taylor Loft, para 20; CAPIO paragraph 73 and the case-law cited; see also, by analogy, SABEL, paragraph 18 above, paragraph 23; see Case C- 334/05 P OHIM v Shaker [2007] ECR I- 4529, paragraph 35; SABEL, paragraph 23; Lloyd Schuhfabrik Meyer, paragraph 25; Medion, paragraph 28; Mülhens v OHIM, paragraph 19; and order in Matratzen Concord v OHIM, paragraph 29
30 Ann Taylor Loft, para 21; Case T- 104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II- 4359, paragraph 28, and Case T- 186/02 BMI Bertollo v OHIM – Diesel (DIESELIT) [2004] ECR II- 1887, paragraph 38; see also, by analogy, Lloyd Schuhfabrik Meyer, paragraph 17 above, paragraph 26
31 MATRATZEN, paragraph 19 above, paragraph 30, and CAPIO, paragraph 17 above, paragraph 89; see also, by analogy, SABEL, paragraph 18 above, paragraph 23; Ann Taylor Loft, para 26
32 the judgment of 10 December 2008 in Case T-228/06 Giorgio Beverly Hills v OHIM – WHG (GIORGIO BEVERLY HILLS), not published in the ECR, paragraph 28,
33 para 48
34 Judgments nº T-281/07 of Court of First Instance of the European Communities, November 12, 2008 (Ecoblue case), para 27; Joined Cases T-183/02 and T-184/02 El Corte Inglés v OHIM –
In the Zero case, the mark applied for is made up of a verbal element which is clearly divided into two elements, namely the word ‘zero’ in red and the symbol ‘rh+’ in white. It cannot therefore be considered that the verbal element ‘zerorh+’ creates, for the general public, a logical unit with a semantic value which is distinct from those of its two components, the word ‘zero’ and the symbol ‘rh+'. In addition the division of the verbal element ‘zerorh+’ into two distinct elements makes it unlikely that the mark applied for will be viewed conceptually as a ‘universal blood group compatible with all the other blood groups’. The average consumer would, at best, understand only vaguely the reference of the second element, namely the symbol ‘rh+', to the blood type rhesus positive. Consequently, the marks at issue do not contain any element making it possible to differentiate them conceptually in such a way so as to neutralise the visual and phonetic similarities which have been established35.

The assessment of similarity should certainly not be a mechanical assessment of the structure of the mark. It means more than taking just one component of a composite trade mark and comparing it with another mark36. Focusing on constituents is like focusing on pixels instead of pictures. You do not see what is meant to be seen. You see only a series of elements. In truth, it is the blend of meaning and significance that must be taken into account.

Nevertheless it should be pointed out that, although the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details, the fact remains that, when perceiving a verbal sign, he will break it down into elements which, for him, suggest a concrete meaning or which resemble words known to him37.

The word element ‘eco’, for example, is a common prefix or abbreviation in many languages spoken in the Community, and the word ‘blue’ is the English term for the colour blue and is part of the basic English vocabulary known to the relevant public. Those two word elements of the mark ‘Ecoblue’ therefore have a concrete meaning for the average consumer38.

As another example it should be noted that, in the light of the fact that the relevant public is not specialised in the medical field, a significant proportion of that public would not perceive the symbol ‘rh+’ in the ‘Zerorh+’ trademark as referring to a blood group and, consequently, that symbol would lack a concrete meaning necessary to be remembered easily. It is thus likely that the relevant public would forget it with the passage of time39. A significant proportion of the public would probably omit that symbol when pronouncing the verbal element ‘zerorh+’ of the mark applied for, either because they are unsure as to what it means, or simply to economise

González Cabello and Iberia Líneas Aéreas de España (MUNDICOR) [2004] ECR II-965, paragraph 93, and REVERIE, at paragraph 34
35 Zero, para 65-67
36 see OHIM v Shaker, paragraph 41; see order in Matratzen Concord v OHIM, paragraph 32; Medion, paragraph 29
37 Ecoblue, para 30; see, to that effect, Case T-256/04 Mundipharma v OHIM – Altana Pharma (RESPICUR) [2007] ECR II-449, paragraph 57, and judgment of 13 February 2008 in Case T-146/06 Sanofi-Aventis v OHIM – GD Searle (ATURION), not published in the ECR, paragraph 58; also Zero, para 64; see, to that effect, judgment of 14 February 2008 in Case T-189/05 Usinor v OHIM – Corus (UK) (GALVALLOY), not published in the ECR, paragraph 62 and the case-law cited
38 Ecoblue, para 30
39 Zero, para 50
on words since the time taken to pronounce that symbol is relatively long and it is easily separable from the rest when being pronounced\textsuperscript{40}.

2. \textit{The Notions of ‘distinctive’ and ‘dominant’}

The distinctive and dominant components are, in particular, important for the evaluation of similarity between the signs.

2.1. \textit{Concept of distinctiveness}

The distinctive character of the earlier mark is one of the factors to be taken into account when assessing the likelihood of confusion\textsuperscript{41}. Distinctiveness can be defined as the character of a trade mark due to which it can identify goods and services as originating from a particular undertaking, and thus distinguishing them from other undertakings.

If a trade mark is devoid of distinctive character, it lacks capacity to distinguish. Correspondingly, it does not comply with all requirements necessary for the trade mark to be registered and can be a subject to absolute grounds for refusal. According to Article 3(1) (b) TMD ‘trademarks which are devoid of any distinctive character’ shall not be registered. The provision excludes from registration those signs which would not be perceived to communicate any message (because they would just be treated as part of the goods, or appearance thereof), and those which, though perceived as conveying information, are not perceived as indicating information as to trade source (for example, where the sign is seen as a product number or perhaps as a slogan urging a person to do something)\textsuperscript{42}.

In that context, it is necessary to distinguish between the notion of the distinctive character of the earlier mark, which determines the protection afforded to that mark, and the notion of the distinctive character which an element of a composite mark possesses, which determines its ability to dominate the overall impression created by the mark\textsuperscript{43}.

The particular distinctive character of an earlier mark must be taken into consideration for the purposes of assessing the likelihood of confusion, and not for the purposes of assessing the similarity of the marks in question, which is an assessment made prior to that of the likelihood of confusion, because it is just one of the factors for its existence\textsuperscript{44}. The more distinctive the earlier mark, the more likely it is that the public might be confused\textsuperscript{45}.

\textsuperscript{40} \textit{Zero}, para 58
\textsuperscript{41} \textit{Judgments n° T-5/08 of Court of First Instance of the European Communities, March 25, 2010, (Golden Eagle), para 65; Case T- 112/03 L’Oréal v OHIM – Revlon (FLEXI AIR) [2005] ECR II- 949, paragraph 61, and judgment of 13 December 2007 in Case T- 134/06 Xentral v OHIM – Pages jaunes (PAGESJAUNES.COM), not published in the ECR, paragraph 70; see also, to that effect and by analogy, Case C- 39/97 Canon [1998] ECR I- 5507, paragraph 24
\textsuperscript{43} Golden Eagle, para 65; see also order of the Court of Justice of 27 April 2006 in Case C- 235/05 P L’Oréal v OHIM, not published in the ECR, paragraph 43
\textsuperscript{44} \textit{Judgments n° T-243/08 of Court of First Instance of the European Communities, May 19, 2010, (Memory game), para 27; see, to that effect, judgment of 27 November 2007 in Case
While it is true that it is necessary to examine the distinctiveness of an element of a composite mark at the stage of assessing the similarity of the signs in order to determine any dominant element of the sign, the degree of distinctiveness of the earlier mark is an element to be taken into account in the context of the global assessment of the likelihood of confusion. It is therefore not appropriate to take account of what may be a low degree of distinctiveness of the earlier mark at the stage of assessing the similarity of the signs.

Accepting that the earlier mark has a weak distinctive character does not prevent the finding in the particular case that there is a likelihood of confusion. Although the distinctive character of the earlier mark must be taken into account when assessing the likelihood of confusion it is only one factor among others involved in that assessment. Thus, even in a case involving an earlier mark of weak distinctive character, there may be a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services.

In addition, granting excessive importance to the fact that the earlier mark has only a weak distinctive character would have the effect that the factor of the similarity of the marks would be disregarded in favour of the factor based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the signs at issue. Such a result would not, however, be consistent with the very nature of the global assessment which the competent authorities are required to undertake by virtue of Articles 8(1)(b), 9 (1)(b) CTMR and Articles 4 (1)(b), 5(1)(b) TMD.

Signs, unless they are unitary, (single word, single feature, single colour) are perceived in normal life by focussing on the dominant element, that which distinguishes the sign. At a next level of analysis, beyond the mere visual perception, judgment is involved, and it is here that distinctiveness obtains its additional value as a tool; signs or elements of signs which have no distinctiveness in the legal sense, i.e. are descriptive, generic, or for other reasons non-distinctive for the goods or services involved, will largely be totally disregarded when determining similarity in the legal sense, however much they may, as a matter of mere perception, dominate the sign. In relation to the marketing of coffee or coffee-based beverages for example, the representation of coffee ready for drinking in a mug and coffee in the form of

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45 Sabèl, par. 24
46 Golden Eagle, par. 65
47 Zero, para 74; see judgment of 12 November 2008 in Case T-210/05 Nalocebar v OHIM – Limiñana y Botella (Limoncello di Capri), not published in the ECR, paragraph 51 and the case-law cited
48 Zero, para 75; see Limoncello di Capri, paragraph 52 and the case-law cited
beans is banal and comes naturally to mind. Another example to that effect regards the representation of a cowhide for milk and dairy products.

In that context, however, for the purposes of assessing the degree of distinctiveness of a mark, it is necessary to carry out an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings.

When assessing the distinctiveness of an element of a composite mark, the same criterion applies, so that it is necessary to assess the greater or lesser capacity of that element of the mark to identify the goods or services for which that mark has been registered as coming from a particular undertaking.

The representation of a red mug on a bed of coffee beans in the lower part of a contested mark, for example, has a low degree of distinctiveness for the goods in question. A red mug and coffee beans cannot be regarded as highly distinctive, since they are suggestive of the goods in question.

2.2. Concept of dominance

According to the case-law of the CJEU, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks calls for comparison made by examining each of the marks in question as a whole, which, however, does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components.

It must be pointed out in that connection that the consumer only rarely has the chance to make a direct comparison between the different marks and must therefore place his trust in the imperfect picture that he has kept in his mind. In general, it is the dominant and distinctive characteristics of a sign which are most easily memorised.

In Matratzen the Court is of the view that a complex mark could not be regarded as being similar to another trade mark which is identical or similar to one of the components of the complex mark, unless that component forms the dominant element within the overall impression created by the complex mark. That is the case where the active component is likely...
to dominate by itself the image of that mark which the relevant public keeps in mind, with the result that all of the other components of the mark are negligible within the overall impression created.

But, as the Advocate General pointed out in point 21 of her Opinion to Shaker, 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.

In Golden eagle the Court held that the element consisting of a red mug on a bed of coffee beans cannot be regarded as entirely negligible in the overall impression created by the later mark. While that element is far less likely to indicate the commercial origin of the goods in question than the word element and the figurative element representing an eagle, it nevertheless occupies about one half of the later mark. Thus the comparison between the signs at issue cannot be limited to the elements of those marks which are of greater importance. There is also, in the example given, no element which dominates the earlier mark to such an extent that the other elements are negligible in the overall impression created by them. It follows from the foregoing that the comparison between the signs at issue must be based on the overall impression created by those signs, and cannot be limited to some of their elements. In the assessment of the dominant character of one or more given components of a compound trade mark, account must be taken, in particular, of the intrinsic qualities of each of those components by comparing them with those of other components. In addition and accessory, account may be taken of the relative position of the various components within the arrangement of the compound mark.

Furthermore, the weak distinctive character of an element of a compound mark does not necessarily imply that that element cannot constitute a dominant element since – because, in particular, of its position in the sign or its size – it may make an impression on consumers and be remembered by them. It should be added that, as regards the earlier marks, in so far as they comprise a single verbal element, the argument that that word has become common is not relevant for the purposes of the comparison of the signs at issue. The mere fact that a number of trademarks relating to the goods at issue contain the word ‘zero’ is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned.

A category of cases remains, however, where a shared element may well dominate a later composite mark visually or phonetically, in particular, but where confusion is nonetheless unlikely.

56 Golden eagle, par. 44-45
57 Golden eagle, par 47-49
58 Zero, para 45; Case T-6/01 Matratzen Concord v OHIM – Hukla Germany (MATRATZEN) [2002] ECR II-4335, paragraph 35
59 Zero, para 71; judgment of 16 May 2007 in Case T-491/04 Merant v OHIM – Focus Magazine Verlag (FOCUS), not published in the ECR, paragraph 49
60 Zero, para 71; see, to that effect, Limoncello della Costiera Amalfitana shaker, paragraph 37
61 Zero, para 73; also see, by analogy, Case T-135/04 GfK v OHIM – BUS(Online Bus) [2005] ECR II-4865, paragraph 68, and Case T-29/04 Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH) [2005] ECR II-5309, paragraph 71
While the Court in *Medion* is clear that the absence of dominance does not determine that there is no likelihood of confusion. What is less clear is how much weight the presence of dominance should bear. There are some cases where marks may be clearly similar, where the later mark incorporates the whole of an earlier mark and adds, for example, non-distinctive matter. However, what about cases where the later mark incorporates the earlier mark in a visually dominant way, but the resulting whole conveys a different visual impression and meaning?

This was the case in *Miles Handelsgesellschaft International mbH v OHIM*. In that case, the owner of a CTM for MILES opposed a later CTM for a BIKER MILES Logo, with the words set against the backdrop of a road, for identical Class 25 goods. The opposition succeeded at first instance and was overturned by the Board of Appeal, on the grounds that the marks were visually, phonetically and conceptually distinguishable.

The Court of First Instance however finding that the BIKER MILES Logo was similar to MILES. It concluded that the road device and the word BIKER were descriptive in respect of clothing for motorcyclists, and that MILES was therefore likely to be perceived as the dominant element. Despite the CFI's recitation of case law warning against the dangers of extracting and comparing only one element from a composite mark, it nonetheless effectively did so in this case, comparing MILES to MILES, instead of BIKER MILES Logo to MILES. The rejection of the application was at that point inevitable.

This decision is a clear example of what can go wrong when a tribunal hunts for the "dominant" component of a later composite mark. Decisions made by reference to that element are almost certain to exclude other matter in a manner far removed from the way in which an actual consumer would perceive it. The BIKER MILES Logo contained a combination of words which were relevant to each other and which combined to create a mark with a different look, sound and overall "feel" to MILES on its own. Whilst educated people may differ on the outcome of this case, nonetheless the method employed by the CFI suggests that far too much emphasis is being placed on dominance of shared components, rather than on overall impressions.

The judgment in Medion may help to dislodge the primacy of the "dominant components" test and return it to its rightful place as one part of an overall assessment.

3. **The dismissal of “dominance” as the key issue**

The mere dominance or lack of it, of a shared component is not the key to whether a likelihood of confusion exists, where a later composite mark includes an earlier mark for identical goods. There may still be a likelihood of confusion where the shared element is not dominant in the later mark, but nonetheless has an “independent distinctive role” in it.

Under German practice on later marks that incorporate earlier ones, a likelihood of confusion was deemed to exist where the shared element characterised the later composite mark to such an extent that the remaining components were secondary to the overall impression of the later mark. Where the shared element merely contributed to the overall impression of the later mark, there would be no likelihood of confusion, even if the shared element had an

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62 Court of First Instance, 7 July 2005, Case T-385/03
"independent distinctive role" (‘kennzeichnende Stellung’) in the later mark. This was known as Prägetheorie (theory of the impression conveyed).

The German court hesitated over Prägetheorie's compatibility with EU law. It asked the ECJ to give guidance on whether a likelihood of confusion could exist "where a composite word or word/figurative sign comprises a company name followed by an earlier mark which consists of a single word with 'normal distinctiveness' and which, although it does not shape or mould the overall impression conveyed by the composite sign, has an independent distinctive role therein."

In the event, although the ECJ expressed no direct criticism, it rejected the Prägetheorie doctrine. In its own ruling in Medion the ECJ did not even use the word Prägetheorie:

“30. However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31. In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least from companies which are linked economically, in which case the likelihood of confusion must be held to be established.”

The ECJ acknowledged that in some cases the overall impression of a composite mark may be dominated by one element. In other cases, however, an element may not dominate, but may still have "an independent distinctive role." Declining to find a likelihood of confusion simply because a shared element was not dominant was inappropriate in such circumstances.

In its submissions to the court, Medion argued that the Pragetheorie enabled registered trademarks to be usurped by simply adjoining the mark to the name of the manufacturer. Medion effectively argued that if the use of THOMSON LIFE and LIFE were allowed to coexist that neither mark could fulfil its essential function to identify the goods of one trader from those of another. It contended that although the word THOMSON is a distinctive mark in itself it does not totally dominate the composite mark THOMSON LIFE and the word LIFE is still an important and distinctive element of the composite mark. As a result, it would be quite possible for the public to associate the marks THOMSON LIFE and LIFE.

Therefore, the addition of a house mark or company name to a registered trade mark of average distinctiveness will not avoid the composite mark being deemed confusingly similar to the registered mark. The situation may be different where the registered mark has low distinctiveness, but matters are not as straightforward as the Pragetheorie might suppose. Application of the Prägetheorie could have the effect of neutralising the legal and commercial value of earlier registrations where the company name added by the later trader was particularly prominent. The ECJ made it clear that its findings in Medion were to be limited to when consideration was given to elements within composite marks of normal distinctiveness.
Therefore, where a composite mark consists of a highly distinctive element and a common element with another mark which has low distinctiveness, it is much more likely that the marks will found different from each other.

The ECJ held that whether there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark (even though in some circumstances that may be the case). Thus the ECJ in *Medion* took the opportunity to restate its previous law on the comparison of marks, reiterating that the assessment of marks was on a global basis, not component-by-component. It was hoped that such a ruling would steer OHIM and E.U. national courts away from excessive reliance on the "dominance" of shared components, and back to a true global assessment of likelihood of confusion.

V. **“Independent distinctive role” as a criterion in the similarity of marks assessment**

1. **Definition - a new test, set out by Thomson Life case**

There are doubtless cases where a later mark might incorporate the whole of an earlier mark in a manner which is not dominant, but nonetheless is perceived, for other reasons, as part of the origin message by the average consumer. It may, for example, be perceived as a main brand preceding a sub-brand, or vice versa, and thus suggest a trade connection. The CJEU appears to have recognized this and to have gathered in those different circumstances under the blanket term, "independent distinctive role." To adapt to the various circumstances of each case, the phrase will have to be interpreted with flexibility. Its own specific, and restrictive, meaning will emerge as the courts begin to apply it.

Of course, the actual test which must not be lost sight of remains whether, because of similarity of marks, there is a likelihood of confusion. The Court in *Medion* does not in any way abandon that test. It does not say that a composite mark which contains an earlier mark will always carry a likelihood of confusion; rather, it says that there is such likelihood if the earlier mark has an independent distinctive role. However, the assessment whether the earlier mark does have such a role is, something which has to be decided before answering the question whether there is a likelihood of confusion. The independent distinctive role of an earlier mark must be taken into consideration for the purposes of assessing the similarity of the marks in question, which is an assessment made prior to that of the likelihood of confusion.

According to *Sabatier* case the issue of an independent distinctive role criterion has two threads: on the first hand whether the earlier mark is distinctive at all and on the second if it is whether it retains any independent distinctiveness in the later mark.

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63 Case No: CH/2007/APP/0561 in the UK High Court of Justice, Chancery division, on appeal from the Registrar of trademarks, [2008] EWHC 881 (Ch), *Rousselon Freres et cie v. Horwood Homewares Ltd.*, Date: 24/04/2008 (Sabatier case), para 92
64 see, to that effect, judgment of 27 November 2007 in Case T- 434/05 Gateway v OHIM – Fujitsu Siemens Computers (Gateway), not published in the ECR, paragraphs 50 and 51; Memory game, para 27
The legal principles applied in Sabatier come from the Thomson life decision. The UK High Court examines the independent distinctive role test which finds its place in Medion. Medion concerns the juxtaposition of a well-known company name, Thomson, with the registered mark, LIFE. But the High Court in Sabatier is of the opinion that the reasoning of Medion applies equally to other types of composite marks. As paragraph 34 of the Medion judgment shows, the composite mark which includes the earlier mark and the company name of a third party is given only by way of example.

The High Court in Sabatier found that the word SABATIER is of “normal” distinctiveness (e.g. if the goods were soft drinks, the mark would be more distinctive than the word FIZZY but less distinctive than the word PEPSI). The High Court noted that the Hearing Officer had correctly come to this view, but that he then erred by failing to apply the other principles set out in Medion. Having found that the mark ‘Sabatier’ was distinctive, the Hearing Officer was wrong to conclude that it did not have an independent distinctive role in the later marks. The High Court stated that if ‘Sabatier’ is not distinctive at all it clearly cannot have such an independent distinctive role. If the respondent contended that there was not any distinctive mark at all with which his marks were capable of being confused, the actual argument would have moved some way towards an attack on the applicant’s mark.

The High Court further stated that the identical part has an independent distinctive role in the contested sign because it is not absorbed by that sign, and is not relegated to the point of ceasing to call to mind the registered mark. Thus the additional words and graphical matter in the later mark is insufficient to indicate a different trade origin to the public. The High Court found that ‘Judge’ and ‘Stellar’ (the other parts of the later composite trade marks), although dominant in positioning and size, do not overwhelm ‘Sabatier’. The applicants’ case relied on the premise that the word ‘Sabatier’ will be picked out of the applicants’ mark, and either through the strength of the applicants’ reputation in that word, or through poor recollection, the consumer will be confused into thinking it is the applicants’ mark. The ECJ in Medion, as appears from paragraph 34 of the judgement, stated that “the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign”. There can be no suggestion, however, that the dominance of the well-known mark or commercial name of itself destroys whatever independent distinctive role the earlier mark might otherwise have. The ECJ stated that a finding of the likelihood of confusion should not be subject to the fact that the earlier mark in the composite sign is dominant, because otherwise the owner of the earlier mark would be deprived of the right conferred by Article 5(1) TMD (infringement of identical mark and identical goods/services) where that earlier mark retained an independent distinctive role in the composite sign but that role was not dominant (i.e. was in small text or there was significant additional material in the composite sign). Therefore, to establish the likelihood of confusion it suffices that the public could deem the composite mark related to another registered mark if the latter has a distinctive role within the composite sign.

2. Application of Thomson life test

2.1. When the earlier mark is exactly reproduced in the later mark

- Nokia’s “Life Blog”

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65 for supporting that view see also Nokia Life blog, para 72
66 SABATIER, para 18
Nokia filed a CTM application for 'Life Blog' in classes 9, 38 and 41. However their application was opposed by Medion, owning a German trade mark for 'Life' in various classes including 9, 38 and 41. The General Court has sided with the Board of Appeal and rejected the application.

The Court held that as regards the conceptual comparison and as far as the word ‘life’ is concerned, the latter is an English word in every-day usage which may be easily understood by the average German-speaking public. Associated with all the goods and services concerned, the word ‘life’ refers to the concept of life rather than to a specific life-span of those goods and services. The same conceptual content is found in the mark applied for, which refers, at least for those who understand the meaning of the word ‘blog’, to a personal online diary\(^{67}\). It must be held that the additional concept ‘blog’ which is attached to the mark applied for is not able to supplant the reference to the concept of life which is common to both signs, which cannot be regarded as being of little or no importance, so that there is a degree of conceptual similarity between the signs at issue\(^{68}\).

Furthermore, it must be added, first, that it cannot reasonably be argued that the word ‘life’ is in any way descriptive of the goods and services referred to\(^{69}\). In that connection, even if it is true that consumers normally attach more importance to the beginning of words since they are more pronounced\(^{70}\), it must be stated that neither of the two elements ‘life’ or ‘blog’ emerges clearly as the dominant element of the mark applied for in this instance. In that regard, it would be artificial to consider ‘life’ to be dominant because it is the first element of the mark applied for, but nor is there any reason to regard the ‘blog’ element as dominant\(^{71}\).

As for the 'Blog' aspect of the mark the court said that a distinction must be made according to the goods and services concerned. Applied to IT or telecommunications goods or services, ‘blog’ must be considered as having a limited distinctive character since, by reference to that area, that word is usually understood, even by the average German consumer of those goods or services, as referring to an online diary (weblog). In that category, the word ‘life’ has a greater distinctive character than the word ‘blog’\(^{72}\). However, as regards all the other goods or services which do not imply an IT or telecommunication element, and in regard to which the word ‘blog’ has no meaning, it must be held that neither of the two elements ‘life’ or ‘blog’ emerges clearly as the element with the most distinctive character. However, as OHIM has rightly observed, the greater degree of inherent distinctiveness of ‘blog’ will, assuming it is established, be somewhat offset by the fact that ‘life’ is at the beginning of the sign, as the public’s attention is usually concentrated on the beginning of the sign applied for\(^{73}\). Thus there is no ground for the assertion that, in this case, ‘life’ is less prominent than ‘blog’ in the mark.

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\(^{67}\) Nokia Life blog, par. 57
\(^{68}\) Par. 58
\(^{69}\) Par. 61
\(^{70}\) see, to that effect, judgment of 27 February 2008 in Case T-325/04 Citigroup v OHIM – Link Interchange Network (WORLDLINK), not published in the ECR, paragraph 82
\(^{71}\) Life Blog, par. 60; see also, to that effect, Westlife, cited in paragraph 55 above, at paragraph 36
\(^{72}\) Life Blog, par. 62
\(^{73}\) Par. 63
applied for. It appears, in this case, that the conceptual difference between the two signs at issue, as regards the last word of the mark applied for, is insufficient to neutralise the visual and aural similarities established between one of the two elements of the mark applied for and the single element of which the earlier mark is composed\textsuperscript{74}.

The Court found no need to consider the relevance of the fact that the Board of Appeal based its decision on the judgment in Medion, on the ground that the element ‘blog’ was not a trade mark or a name of a well-known company. It held that the examination carried out by the Board of Appeal of the likelihood of confusion must be upheld\textsuperscript{75}, having regard to the consideration that the ‘life’ element retained an independent distinctive role in the mark applied for\textsuperscript{76}.

\begin{itemize}
\item SPA & SPA THERAPY
\end{itemize}

The CFI upheld the decision of OHIM’s Board of Appeal, finding that there was a likelihood of confusion between the marks SPA and SPA THERAPY, where used in relation to cosmetic, perfumes and other products in class 3. Although the word ‘spa’ was descriptive of places in which cosmetic products are used or marketed, this did not mean that the mark was devoid of distinctive character or too weak to have an independent distinctive role\textsuperscript{77}. It appears that the word ‘-spa-’, which constitutes both the earlier mark and the element common to both marks, has an average distinctive character with regard to the cosmetic products covered by the marks at issue\textsuperscript{78}. The evidence provided by the applicant during the administrative procedure points only to the existence of a possible descriptive and generic character of that term in respect of places for hydrotherapy such as hammams or saunas and not to the existence of a descriptive and generic character in respect of the cosmetic products covered by the mark applied for\textsuperscript{79}. The links connecting cosmetic products to places for hydrotherapy are, because of their use in that context, not such that the conclusion regarding the descriptive or generic character of the word ‘-spa-’ can be extended to them\textsuperscript{80}.

The Court further noted that the trade mark applied for does not consist of a new word with an independent meaning different from that of the simple juxtaposition of its constituent elements, but of two clearly distinct words: ‘-spa-’ and ‘-therapy-’\textsuperscript{81}. It also noted that the word ‘therapy’ is not a widely-known commercial name as in Medion but a term which, without being descriptive of cosmetic products, does not have a particularly strong distinctive character with respect to those goods, such that it could be understood as referring to the benefits of those

\textsuperscript{74} Life Blog, Par. 65-66; see also, to that effect, Case C-16/06 P Éditions Albert René [2008] ECR I-0000, paragraph 98
\textsuperscript{75} Par. 72
\textsuperscript{76} Par. 73
\textsuperscript{77} L’Oréal v OHIM, Case T-21/07, 25 March 2009 (Spa Therapy), para 22
\textsuperscript{78} Par. 24
\textsuperscript{79} Par. 25
\textsuperscript{80} Par. 28
\textsuperscript{81} Par. 23
Finally cosmetics manufacturers frequently put several lines of products on the market under different sub-brands. Consequently, the fact that the mark applied for consists of the earlier mark SPA followed by the word -therapy- could lead consumers to believe that it relates to a line of products marketed by the proprietor of the earlier mark. It follows from all of the foregoing that the differences between the signs as a result of the presence of the word -therapy- in the mark applied for are not such as to outweigh the significant similarities between the signs at issue resulting from the presence of the earlier mark at the beginning of the mark applied for and from the independent distinctive role that it has there.

The “Maltese Cross”

In the “Maltese Cross” decision of 11 May 2006, the German Federal Court of Justice (Bundesgerichtshof - FCJ) gave useful guidance on the concept of the independent distinctive role. The opposition proceedings, in which the FCJ had to decide, related to a scenario, where the contested trade mark comprising the company name “LAZARUS” and the “Maltese Cross” device and the opposition mark consisting just of a “Maltese Cross” were both registered for among other things identical nursing and charitable services.

Applying the “Thomson life” ratio, the FCJ regarded the purported dominance of the word “LAZARUS” as irrelevant for the independently distinctive role of the “Maltese Cross” in the contested mark. On the contrary, the FCJ found a variety of factors which could support an independent role of the “Maltese Cross”: in particular, the FCJ referred to the visual effect of the crest-shaped design around the “Maltese Cross” which suggests a perception separate from the word element. Also, the FCJ referred to the branding customs in the charitable services sector - it found that if the relevant public is used to combinations of company names with crest-shaped cross designs, there is an increased likelihood that the cross design will be perceived as independently distinctive.

Interesting in that regard is CFI’s argumentation in the Aprile case:

“The word element -aprile- certainly has an independent distinctive role in the mark applied for. Since the goods at issue, fashion items, are not exclusively bought on sight but also on the basis of oral recommendations, the names of the companies concerned and the word elements in their trademarks are of greater importance for consumers than the figurative elements of those marks. Consequently, the relevant consumer will pay attention above all to the word element of the mark applied for and not to its various figurative aspects, which require extensive and time-consuming examination and might be perceived as merely decorative.”

FCJ’s decision is important as it unequivocally confirms that there are two alternative concepts according to which a common component can convey likelihood of confusion.

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82 Par. 31
83 Par. 32
84 Par. 33
85 no. I ZB 28/04
86 Judgments nº T-179/07 of Court of First Instance of the European Communities, September 24, 2008, para. 44
between a mark solely consisting of that component and a mark combining that component with another element: either the common component (or a similar one) has an independently distinctive role within the overall context of the colliding mark or, alternatively, it dominates the overall impression. Also, the decision illuminates what can support an independently distinctive role. Sign-inherent factors are important, such as the specific design of the complex sign, the arrangement of its components and their interrelation. The decision also underlines the importance of sector specific branding customs.

From that decision no conclusions can be drawn, however, as to the widely discussed question of whether the concept of the independently distinctive role of a component can also convey a likelihood of confusion between two complex trademarks, which have the component in common but each combine it with different elements, such as different company names.

2.2. When the earlier mark is not exactly reproduced in the later mark

Although the element consisting of the representation of a red mug on a bed of coffee beans, used as a figurative mark on all the containers of Nescafé instant coffee sold by Nestle, has not been reproduced identically in Master Beverage Industries Pte Ltd’s Community trade mark application, Nestle puts opposition to the application for the new mark "Golden Eagle", because it contains a red cup. First OHIM then Board of Appeal held that there is no similarity between the two marks. The European Court considers that between the two marks similarity is present in the extent of consumer confusion. The arguments set out by the Court are as follows.

It must be observed that Medion concerned a situation in which the earlier mark had been reproduced identically in the later mark. Nevertheless, it must be held that, in the event that the earlier mark is not reproduced identically in the later mark, it is still possible that the signs at issue are similar on account of the similarity between the earlier mark and one element of the later mark which has an independent distinctive role.87

The Board of Appeal finds that the differences between the representation of a red mug and coffee beans in the mark applied for, and their representation in the earlier mark, become an important consideration in the light of the low degree of distinctive character of the earlier mark. In relation to that finding the Court held that while it is true that it is necessary to examine the distinctiveness of an element of a composite mark at the stage of assessing the similarity of the signs in order to determine any dominant element of the sign, the degree of distinctiveness of the earlier mark as whole is an element to be taken into account in the context of the global assessment of the likelihood of confusion. It is therefore not appropriate to take account of what may be a low degree of distinctiveness of the earlier mark at the stage of assessing the similarity of the signs.88 Furthermore, it must be recalled that, even in a case involving an earlier mark of weak distinctive character, on the one hand, and a trade mark applied for which is not a complete reproduction of it, on the other, there may be a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered.89

87 Golden Eagle, par. 60
88 Par. 64-65 (emphasis added)
89 Nokia Life blog, para 70; order not published in the ECR, of 27 April 2006 in Case C-2345/05 P L’Oréal v OHIM, paragraph 53
It follows from all of the foregoing that the Board of Appeal was wrong to find, in the contested decisions\(^{90}\) that the marks at issue were dissimilar. Since there is similarity, albeit slight, at the visual and conceptual levels, the Board of Appeal should have assessed the likelihood of confusion between the marks at issue\(^{91}\).

3. Thomson life test not satisfied in all cases

The General Court's findings on the application of the "LIFE / THOMSON LIFE" case-law, however, should be taken with caution and, given the special circumstances of the case, and should not be generalized.

➢ “Educa Memory game”\(^{92}\)

Examining the similarity of Educa's and Ravenburger's trademarks the court said that the word element "Memory" did not have an independent distinctive role in Educa's trademark as it was strongly linked with the word element "game", both having the same typeface and size. The Court concluded that although both trademarks contained the word "Memory", they were not similar. Its arguments are as follows.

It should be pointed out that ‘memory’ and ‘game’ are two common English words and, taking into account their graphical representation in the mark at issue, the conclusion must be that they are easily perceived by the German speaking public as being distinct from the element ‘educa’ and as forming a logical whole, namely ‘Gedächtnisspiel’, which is a German word meaning memory game\(^{93}\). Furthermore, that public, faced with the words ‘memory game’ in relation to the marketing of games, perceives them as referring to the type of games offered for sale. It is not disputed that the goods in question cover, in particular, memory games in which the key element for success is that the participants use and develop their memory. It is therefore clear that the word combination ‘memory game’ describes directly and specifically one of the characteristics and the purposes of the goods at issue\(^{94}\). The fact that it is common practice in the sector concerned to place two signs on the goods, which enable the origin to be identified, namely the name of the company, first, and the product’s trade mark, second, does not invalidate the conclusion that the word element ‘memory game’ constitutes, in the present case, a descriptive element\(^{95}\).

With regard to the element ‘educa’, the Board of Appeal rightly found, in paragraph 37 of the contested decision, that it was the dominant element in the mark at issue. It is more

\(^{90}\) paragraph 28 of the contested decision in Case T-5/08 and paragraph 27 of the contested decisions in Cases T-6/08 and T-7/08

\(^{91}\) Golden eagle, par. 74

\(^{92}\) Judgments nº T-243/08 of Court of First Instance of the European Communities (Memory game), May 19, 2010

\(^{93}\) Par. 38

\(^{94}\) Par. 39

\(^{95}\) Par. 40
distinctive than the element ‘memory game’. Moreover, as the Board of Appeal correctly found, the element ‘educa’ has a dominant position in the structure and layout of the mark at issue.\textsuperscript{96}

The Court also rejected Ravensburger argument that its earlier word marks enjoyed a reputation, holding that this was only to be taken into account when assessing the likelihood of confusion but not when examining the similarity of the marks. Analogically in the Zero case the Court was of the view that, even supposing that the contested sign zerorh+ were well known, this fact is not capable, in itself, of reversing the conclusion that the word ‘zero’ in the mark applied for retains an independent distinctive role at the very least. Even supposing that the sign applied for were well known in the commercial sectors concerned, in particular in the sports goggles sector, it must be found that it is the sign zerorh+ with all its components that would be well known, and not just the ‘rh+’ symbol alone.\textsuperscript{97} For that reason the ‘rh+’ symbol cannot overwhelm the ‘zero’ symbol to the effect that the latter would lose its independent distinctive role. The applicant in the Gateway case also contends that the reputation and the well-known character of the Gateway sign in the field of computer goods and services would bestow on it an independent distinctive role in the trade mark applied for,\textsuperscript{98} but the Court sides with OHIM’s contention that its role is not at all distinctive since it describes either the characteristics or the main purpose of the goods and services at issue.\textsuperscript{99}

The General Court in Memory game held that Educa's trademark was not invalid and upheld OHIM's Board of Appeal decision. In a parallel case\textsuperscript{100} Educa filed for a declaration of invalidity of Ravensburger's Community word mark "MEMORY", registered for goods in classes 9 and 28 (games recorded on data carriers, board games). OHIM's Cancellation Division and Board of Appeal granted the invalidity claims. The General Court said that the sign "MEMORY" was descriptive of games and board games, because Ravensburger's word mark described directly and specifically one of the characteristics and purposes of the games for which it was registered. Accordingly, the General Court upheld the Board of Appeal's finding that the mark was invalid.

It is not rare that composite marks contain some words and one or two of them are descriptive with regard to the marked product (like for example the words “perfumery soap” in a mark “Nefertiti perfumery soap” used for perfumed soap bars). In F1-LIVE decision the General Court held that the sign ‘F1’ does not play a distinctive independent role within the mark applied for, since the relevant public will perceive the ‘F1’ element as a descriptive element of that mark.\textsuperscript{101} It is important to note, however, that in some cases an element that as itself may not be protected due to absolute grounds for refusal of registration (e. g. a descriptive word) may not cause likelihood of confusion, but it may contribute to the overall impression of the sign.

\textsuperscript{96} Par. 41
\textsuperscript{97} Zero, para 76
\textsuperscript{98} Gateway, para 22
\textsuperscript{99} Gateway, para 31 and 49
\textsuperscript{100} T-108/09
\textsuperscript{101} F1-LIVE case - Judgments nº T-10/09 of Court of First Instance of the European Communities, February 17, 2011, para 51
➢ “LEO MARCO”

To the question if LEO retains an independent distinctive role when incorporated into a figurative mark also containing MARCO, the Board of Appeal stated that if LEO is used as a trademark on its own “consumers are not likely to assume that the combination of LEO with an additional name refers to the same commercial origin (..), they work on the assumption that the business will behave rationally. They would not expect a jeweler that sell his wares under the short and simple name LEO, to blur his commercial identity by simultaneously using longer, more complex names such as LeoMARCO, LeoGIACOMO or LeoJONES". Then the answer is no.

The Board further observed that, since the goods at issue are normally sold neither on the phone nor in crowded noisy places, their public will see and perceive their trademarks in first place visually and visual differences acquire greater importance. Moreover, jewellery, precious stones and (many kind of) watches can be considered in most of the cases as luxury goods or gifts, therefore a high level of attention of the public is expected, and likehood of confusion is reduced.

➢ “METRONIA”

The Court of First Instance having to decide on the likelihood of confusion between the sign “Metronia” and the earlier mark “Metro” held as follows.

The fact that the sign applied for includes the word element of the earlier sign does not lead to the conclusion that the signs are similar, since the sign METRONIA is not perceived, either visually or aurally, as the word -metro- with the component -nia- tagged onto the end. The applicant’s argument that the word element -metro- retains an independent distinctive role in the mark applied for within the meaning of the judgment in Medion102 cannot succeed. First, the factual circumstances are different because there is no widely-known trade mark or commercial name adjoined to the common element -metro-, and the applicant never claimed or proved that the sign -METRO- was a well-known trade mark or commercial name in the sector of the goods and services concerned. Second, it is apparent from the case-law that signs are considered dissimilar when the mark applied for forms a -logical and conceptual unit of its own- with the result that the common element does not hold an -independent distinctive position-. Thus consumers will see the mark METRONIA as an indivisible, euphonic whole.103

➢ “BECKER”

This decision is interesting as it requires all factors to be considered in assessing whether a likelihood of confusion arises, and not simply that the surnames in question overlapped. Other

102 Medion case, paragraphs 34 to 36
103 Judgments nº T-290/07 of Court of First Instance of the European Communities, December 10, 2008 (Metronia), par. 24
important considerations may apply, such as whether the surname is common or not, or whether one of the names is well known among the public.

The appellant Ms Barbara Becker submits that the Court of First Instance erred in finding that there was similarity between the trademark "Barbara Becker" applied for by the appellant and the defendant's mark "BECKER".

The Court of First Instance (now the General Court) upheld the plea of Harman Int. Industries for annulment of the Board of Appeal’s decision, holding that the Board of Appeal had wrongly stated that the marks at issue were clearly distinct.

Ms Becker criticises the General Court for having based its assessment on the judgment in Fusco v OHIM – Fusco International (ENZO FUSCO), according to which Italian consumers attribute greater distinctiveness to the surname than the forename in a trade mark. She observes in that respect that in a more recent judgment, the General Court stated that such a general rule did not automatically apply in every situation, as each case should be examined individually, and that the surname common to the two marks in that case was not sufficiently dominant in those marks to lead to a likelihood of confusion. Barbara Becker claims that the judgment incorrectly applied to the present case a finding of the Court of First Instance in Fusco and also incorrectly applied to this case the judgment in Medion.

By her second submission, the appellant submits that the General Court erroneously concluded from Medion that the component ‘Becker’ had an independent distinctive role in the composite mark so that the two marks at issue had to be regarded as similar. That judgment merely stated that it is not sufficient for a third party to add its company name to a registered trade mark in order to claim protection for its composite trade mark. It can by no means be construed as establishing a general rule that any element shared by two trade marks is to be regarded as distinctive even though it is not dominant.

In that connection, Barbara Becker takes the view that the judgment in Medion merely intended to avoid a situation in which a third party could add the name of its undertaking, probably having a weak distinctive character, to a mark already registered and claim protection for that mark as a whole, to the detriment of the registered mark.

It should be considered, however, that a registered trade mark should have a degree of inherent or acquired distinctiveness (otherwise it should have not been registered in the first place). Armed with this level of distinctiveness, any earlier trade mark incorporated within a composite sign, is likely to retain its independent distinctive character. Interestingly, in Sabatier case Mr Justice Warren confirmed this reality: “thus, where the earlier mark is a word mark, and that earlier mark forms part of a composite mark itself comprising marks (with or without a further device) it may be difficult, or so it seems to me, to resist the conclusion that

104 Case T-97/05 Rossi v OHIM – Marcorossi (MARCOROSSI 12 July 2006, paragraphs 46 and 47
105 Becker, para 22
106 Opinion of the Advocate General, par. 25
107 Becker case, para 23
108 Opinion of the Advocate General, par. 27
the earlier mark does indeed retain an independent distinctive role\(^{109}\). This is a telling statement of the effect of Medion.

But according to Ms Becker, the Medion judgment concerned trademarks which cannot be compared with those at issue in the present case\(^{110}\). Barbara Becker mentions the differences in circumstances in which the Medion judgment was delivered, since that case concerned the imitation of a pre-existing mark to which a company name has been added, whereas the present case concerns a whole name, in which the surname happens to coincide with another registered mark. The appellant emphasises that the public will perceive the sign ‘Barbara Becker’ as a female person, and that they will not confuse it, without more, with the surname Becker, which is very common and therefore hardly appropriate for a finding that there is a conceptual similarity between the two marks at issue. In the appellant’s view, the Court of First Instance has erred in calling the name ‘Barbara’ ‘simply a first name’\(^{111}\), since that name, added to the surname in question, has a decisive effect on the overall impression made by her mark, since it confers a completely new conceptual meaning on the surname ‘Becker’\(^{112}\).

The General Court thus failed to ascertain whether the fact that Ms Becker is a celebrity was capable of counteracting the aural and visual similarities between the signs at issue. Likewise, it erroneously held that the component ‘Becker’ played an independent distinctive role without analysing the impact of Ms Becker’s celebrity status on the perception of consumers\(^{113}\). Thus the judgment under appeal takes a schematic approach, made up of previous rulings of the Court of First Instance (Fusco) and the Court of Justice (Medion) which are relatively isolated\(^{114}\).

In those circumstances, the true meaning of the doctrine laid down in Medion is shown by the contrast between the wording of the question referred by the national court and the answer given by the Court of Justice. While the national court asks whether there ‘is’ a likelihood of confusion in the circumstances of the case, as just stated, the Court of Justice replies that ‘there may be’ such a likelihood of confusion in circumstances such as those described. The meaning of that form of expression used by the Court in its answer can be clearly seen in paragraph 30 of that judgment. In paragraph 30, after repeating the formula of the ‘global appreciation’ or the ‘overall impression’, the Court of Justice allowed for the possibility which must be regarded as exceptional that an earlier mark used by a third party in a composite sign may retain an independent distinctive role in that composite sign, without necessarily constituting the dominant element\(^{115}\). This is illustrated in paragraph 30 of the Medion judgment, where the Court held that: ‘however, beyond the usual case in which the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier

\(^{109}\) Matratzen, para 91

\(^{110}\) Becker case, para 24

\(^{111}\) Paragraph 36 of General Court’s judgment under appeal

\(^{112}\) Opinion of the Advocate General, par. 28

\(^{113}\) Becker case, par. 26

\(^{114}\) Opinion of the Advocate General, par. 46

\(^{115}\) Opinion of the Advocate General, par. 53
mark used by a third party in a composite sign still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.\textsuperscript{116}

It is abundantly clear from all of the foregoing that, if the Court in the judgment under appeal wished to base its reasoning definitively on the doctrine in \textit{Medion} in order to assess the likelihood of confusion between the marks at issue, it had to reason in terms of an exception\textsuperscript{117}, that is to say, it had to explain why exceptionally in that case it was necessary to dispense with the general requirement to examine the overall impression, bearing in mind, in particular, its distinctive and dominant components.

In its findings, ECJ held that although it is possible that, in a part of the European Union, surnames have, as a general rule, a more distinctive character than forenames, it is appropriate, however, to take account of factors specific to the case and, in particular, the fact whether the person who requests that his first name and surname, taken together, be registered as a trade mark is well known, since that factor may obviously influence the perception of the mark by the relevant public\textsuperscript{118}. Furthermore, it must be held that, in a composite mark, a surname does not retain an independent distinctive role in every case solely because it will be perceived as a surname. The finding with respect to such a role may be based only on an examination of all the relevant factors of each case\textsuperscript{119}. Moreover, as the Advocate General pointed out in essence, in point 59 of his Opinion, the grounds relied on by the General Court would result in acknowledging that any surname which constitutes an earlier mark could be effectively relied on to oppose registration of a mark composed of a first name and that surname, even though, for example, the surname was common or the addition of the first name would have an effect, from a conceptual point of view, on the perception by the relevant public of the composite mark\textsuperscript{120}.

OHIM’s Board of Appeal rightly held that conceptually the signs at issue were clearly distinct in Germany and the other countries of the European Union. The Board considered that the surname Becker was not the dominant and distinctive element of the trade mark applied for, on account of the fact that the relevant public would perceive the mark in its entirety, that is to say Barbara Becker, rather than as a combination of the first name and surname. It also noted that Barbara Becker had ‘acquired celebrity status’ in Germany, while the name Becker was generally recognised as an ordinary and widespread surname.\textsuperscript{121}

It follows from all the foregoing that the General Court erred in law in basing its assessment of the conceptual similarity of the marks on general considerations taken from the case-law without analysing all relevant factors specific to the case\textsuperscript{122}.

\textsuperscript{116} Opinion of the Advocate General, par. 54 (emphasis added)
\textsuperscript{118} Becker case, par. 36, 37
\textsuperscript{119} Becker case, par. 38
\textsuperscript{120} Becker case, par. 39
\textsuperscript{121} Opinion of the Advocate General, par. 13
\textsuperscript{122} Becker case, par. 40
This appeal decision related to an opposition filed on behalf of the French ex-Manchester United footballer Eric Cantona, also nicknamed 'Canto', holder of the CTM Registration for the word mark 'ERIC CANTONA CANTO' for a plethora of goods and services, including 'seeds, natural plants and flowers' in class 31. The opposition was to seek protection in the UK of an International Registration for the word mark 'CANTO' held by a seeds company. In the present case, however, the Appointed Person on appeal did not consider the facts of the case to merit the application the Thomson Life principles.

The question was whether the tripartite word mark was to be seen as 'ERIC CANTONA' as house mark, with 'CANTO' being an invented conceptually autonomous attachment (corresponding to the product or trade mark element) or, on the contrary, CANTO would actually be perceived by the average consumer as being a nickname - echoing the first five letters of CANTONA. As such it did not perform an independent distinctive role within the composite mark but merely doubled the name with a nickname. Thus the word CANTO would derive meaning and significance from the name ERIC CANTONA when used in the context of the mark ERIC CANTONA CANTO as applied to seedstuffs. The present case does not appear to involve an asynchronous combination of ‘a house mark plus invented word’ (ERIC CANTONA : CANTO), i.e. there are no ‘two separately identifiable trade mark elements’. Therefore it should not be accepted that the element CANTO performs what the ECJ has referred to as an ‘independent distinctive role’ in the context of the composite mark ERIC CANTONA CANTO.

Furthermore, the conceptual differences between the composite mark (the football player) and CANTO as applied to seedstuffs (the word having no apparent meaning) meant that the marks could well co-exist in the marketplace without giving rise to a likelihood of confusion. This particular approach in conceptual comparison was affirmed in the PICASSO case.

The Registrar was wrong, therefore, to refuse protection.

The General Court held that the relevant consumer for goods in classes 18 and 25 was used to the marketing of different product lines by the same manufacturer under a dominant house brand (here "ANN TAYLOR"), followed by a sub-brand (here "LOFT"). If a mark only coincided in the sub-brand, the consumer would not establish a connection between the different marks, even if the signs shared an identical element which retained an independent and distinctive role in the application ("Thomson Life" doctrine).

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124 Canto case, par. 9
125 Canto case, par. 13
126 Canto case, par. 10
127 Case C-361/04P Ruiz-Picasso v OHIM, 12 January 2006, paragraphs 20 to 23
128 Judgments nº T-385/09 of Court of First Instance of the European Communities, February 17, 2011, (Loft)
Annco, Inc. filed the Community trademark "ANN TAYLOR LOFT" for goods and services in classes 18, 25, and 35. Freche et fils associés (FFA) opposed the application, relying on its French word mark "LOFT," registered for goods in classes 18 and 25. The General Court held that the French consumer understood the term "LOFT" as a storage room converted into a living space for private or commercial purposes, but not as a surname. The element "ANN TAYLOR" was much more distinctive than the element "LOFT", given that "LOFT" had a clear meaning in French, whereas "ANN TAYLOR" referred to two first names or to a first name and an English surname. The overall similarity of the signs was, therefore, weak.

The target public is used to the same manufacturer marketing different lines of goods that bear the name of the designer and/or the fashion house concerned, followed by the name of the line, according to its characteristics (sport, formal, casual, and so on). The Court also pointed out in the Zero case - as regards the conditions in which the goods in question are marketed, it is not unusual in the clothing business for the same mark to be configured in various ways according to the product it designates. It is also common, in its view, for the same clothing manufacturer to use sub-brands in order to distinguish its various lines from those of others. It therefore concluded that it is conceivable that consumers may associate zero and zero and regard the marks at issue as designating different ranges of products coming from the same manufacturer.

Notwithstanding the identity of the goods in the Loft case, the Court finds that, having regard to the existence of a weak similarity between the signs at issue, the target public, accustomed to the same clothing company using sub-brands that derive from the principal mark, will not be able to establish a connection between the signs ANN TAYLOR LOFT and LOFT, since the earlier mark does not include the ‘ann taylor’ element, which is the most distinctive element in the mark applied for. Moreover, even if it were accepted that the ‘loft’ element retained an independent, distinctive role in the mark applied for, the existence of a likelihood of confusion between the signs at issue could not for that reason be automatically deduced from that independent, distinctive role in that mark. Indeed, the likelihood of confusion cannot be determined in the abstract, but must be assessed in the context of an overall analysis that takes into consideration, in particular, all of the relevant factors of the particular case, such as the nature of the goods and services at issue, marketing methods, whether the public’s level of attention is higher or lower and the habits of that public in the sector concerned. The examination of the factors relevant to this case do not reveal prima facie the existence of a likelihood of confusion between the signs at issue.

It is worth reiterating the Court’s statement that there was not automatically a likelihood of confusion if the signs shared an identical element which retained an independent, distinctive

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129 Loft, par. 47
130 Zero, par. 78
131 Loft, par. 48
132 Loft, par. 49
133 SABEL, paragraph 18 above, paragraph 22; see, also, Case C- 120/04 Medion [2005] ECR I- 8551, par. 37
134 set out in paragraphs 45 to 48 of the Loft judgement
135 Loft, par. 50
role in the mark applied for ("Thomson Life" doctrine). In the sector of clothing it was common for a manufacturer to use a dominant house brand together with sub-brands in order to distinguish its various clothing lines from each other. The consumer would, therefore, rather focus on the house brand — in the case at issue "ANN TALYOR" which had nothing in common with the sole element "LOFT" of FFA's mark. As a result, the General Court considered that there was no likelihood of confusion despite the existence of an independent distinctive role.

VI. Conclusion

The Medion decision confirms that when assessing the likelihood of confusion of a composite mark with a registered trade mark in the European Union, one must consider whether the earlier mark has an independent distinctive role within the composite mark. This decision appears to resolve any potential issue surrounding the legal analysis when assessing composite trademarks and in particular how much relevance to give to the fact that the earlier trade mark plays a dominant role within the later composite mark.

After the Medion decision trade mark owners in the European Union can be more robust in their approach when a third party uses their earlier registered trade mark in a composite trade mark. There is a strong likelihood that the use of the earlier trade mark juxtaposed with another word forming a composite trade mark will retain its independent distinctive character and therefore satisfy the requirement that there be a likelihood of confusion under art.4 (1)(b) TMD, respectively art.8 (1)(b) CTMR and art. 5 (1)(b) TMD, respectively art. 9 (1)(b) CTMR. Even trademarks with low distinctiveness have a chance of retaining their independent distinctive character and therefore there is a chance that a likelihood of confusion would be found. Provided that a trade mark has at least some distinctiveness, this criterion will probably be satisfied. Obviously the best chance of resisting a finding of a likelihood of confusion is if the earlier mark is descriptive or non-distinctive. If that is the case it is unlikely that the mark retains any independent distinctive character (it probably ought not to have been registered in any event). Also it is less likely that the composite later mark will be considered to be a sub-brand of the earlier mark, therefore diminishing any suggestion of an associated brand.

Moreover, under the approach stated in Medion, there can even be a likelihood of confusion if an earlier registered trade mark is used in conjunction with a well-known trade mark. For example, Mr Justice Warren confirmed in the Sabatier case that the words "Judge" and "Stellar" (the other parts of the composite trade marks) were well-known names in the trade\textsuperscript{136}, that there were additional figurative devices in the composite mark, and that ‘Sabatier’ was not dominant. Despite this, it was found that the juxtaposition of ‘Sabatier’ with those elements would still create a likelihood of confusion.

The net effect of this is that under the Medion approach even using another party's registered trade mark with a well-known trade mark, may create a likelihood of confusion if the earlier trade mark has independent distinctive character within that composite trade mark. Mr Justice Warren confirmed that "there can be no suggestion, therefore, that the dominance of the well known mark or commercial name of itself destroys whatever independent distinctive role

\textsuperscript{136} Sabatier, para 93
the earlier mark might otherwise have"137. This brings to an end the proposition that including distinctive matter, such as a company name or other well known mark into a composite mark (which also includes a party's earlier registered mark) may somehow avoid a likelihood of confusion.

Though not necessarily satisfactory, when assessing the likelihood whether a composite trade mark may be confused with an earlier registered mark, the approach to take for that consideration has been confirmed by the subsequent practice of the Court of Justice of the European Union. However, the important question remains open: what is the meaning of independent distinctive character? Do the courts apply this criterion only as an exception in order to adjust the general rule to the specifics of a particular case? A further reference to the CJEU cannot be ruled out if Medion is considered to be unclear on this point in future proceedings. It is likely that much will turn on the facts of individual cases and there is a risk as ever, that national courts may well give conflicting decisions in this respect.

137 Sabatier, Para 89