

***GUIDELINES FOR EXAMINATION IN THE  
OFFICE FOR HARMONIZATION IN THE  
INTERNAL MARKET (TRADE MARKS AND  
DESIGNS) ON COMMUNITY TRADE MARKS***

***PART C***

***OPPOSITION***

***SECTION 2***

***DOUBLE IDENTITY AND  
LIKELIHOOD OF CONFUSION***

***CHAPTER 4***

***DISTINCTIVENESS***

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## 1 General Remarks

A likelihood of confusion (including a likelihood of association) exists if there is a risk that the public might believe that the goods or services in question, under the assumption that they bear the marks in question, come from the same undertaking or, as the case may be, from economically-linked undertakings.

Whether a likelihood of confusion exists depends on an overall assessment of several interdependent factors including: (i) the similarity of the goods and services, (ii) the similarity of the signs, (iii) the distinctive and dominant elements of the conflicting signs, (iv) the distinctiveness of the earlier mark, and (v) the relevant public and its degree of attention.

The first step in assessing if a likelihood of confusion exists is to establish these five factors. The second step is to determine their relevance.

The European Court of Justice (the ‘Court’) has held in its judgment of 29/09/1998, C-39/97, ‘Canon’, paras 18 and 24:

... 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.

... the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion.

In its judgment of 11/11/1997, C-251/95, ‘Sabèl’, para. 23, the Court also held:

... (the) global appreciation of 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.

Therefore, both the degree of distinctiveness of the earlier mark and, separately, the distinctive character of the various components of composite marks are important criteria that must be established before an overall appreciation of likelihood of confusion can take place.

At the outset it is important to distinguish between (i) the analysis of the distinctive character of the earlier mark as a whole, which determines the scope of protection afforded to that mark, and (ii) the analysis of the distinctive character that a component of a mark possesses, which determines whether the signs in conflict coincide in a component that is distinctive (and whether, therefore, the similarity relates to an important component) or a component that is weak (and whether, therefore, the similarity relates to a component of less importance). For example:

	<b>Components / Elements of a mark</b>	<b>Mark as a whole</b> (assuming no acquired distinctiveness)
<b>Virgin Cola</b> (non-alcoholic beverages)	‘Cola’ is a weak element in relation to cola drinks or mixtures	Normal distinctiveness because – due to the ‘Virgin’ component –

	<p>thereof because it is descriptive or allusive in relation to these products.</p> <p>The element 'Virgin' is of normal distinctiveness for such products.</p>	<p>the mark as a whole is not descriptive or allusive or otherwise weak.</p>
 <p>(electronic goods)</p>	<p>'Products', albeit slightly stylised, is a weak element as it is descriptive for a wide range of goods.</p> <p>'Billy's' as depicted is of normal distinctiveness for such products.</p>	<p>Normal distinctiveness because – due to 'Billy's' as depicted and the specific layout of the mark – the mark as a whole is not descriptive or allusive or otherwise weak.</p>
 <p>(preparations made from cereals)</p>	<p>'Premium' is a weak element due to its laudatory meaning, relating to something that is excellent.</p> <p>The dark grey square with an extension to the left in the middle gives the overall impression of a tag with a simple design.</p> <p>For preparations made from cereals, the image of an ear of wheat is descriptive or allusive.</p>	<p>Less than normal distinctiveness because all of the components are weak and the overall representation is banal.</p>

Whereas distinctive character must be assessed for the components of both the earlier mark and the contested marks, distinctiveness of the mark as a whole is assessed only in respect of the earlier mark. The distinctiveness of the contested mark as a whole is not relevant, as such, to the assessment of likelihood of confusion, as explained in more detail in paragraph 2.1.3 below. Therefore, any reference below to the distinctiveness of the mark *as a whole* refers exclusively to the earlier mark.

The step-by-step methodology employed by the Office initially keeps the objective assessment of similarity between the signs separate from assessments of distinctiveness of their component parts<sup>1</sup>. However, later, in the Global Assessment, all factors are considered when reaching an overall appreciation of the likelihood of confusion<sup>2</sup>. This contrasts with other approaches that weigh up the distinctiveness of the various elements of the marks at the same time as assessing similarity between the signs. Although the difference is one of method only and should not, in principle, affect the ultimate finding of likelihood of confusion, the Office follows the method first described.

As far as the impact of the distinctiveness of the earlier mark as a whole is concerned, it is not until the Global Assessment that it comes into play because the Court has held that it is not appropriate to take account of what may be a low or high degree of distinctiveness of the earlier mark at the stage of assessing the similarity of the signs (judgments of 23/01/2014, C-558/12, 'Western Gold' paras 42 to 45, of 25/03/2010, T-5/08 to T-7/08, 'Golden Eagle', para. 65 and of 19/05/2010, T-243/08, 'EDUCA Memory game', para. 27).

<sup>1</sup> See The Guidelines, Part C, Opposition, Section 2, Double Identity and Likelihood of Confusion, Chapter 3, Comparison of Signs.

<sup>2</sup> See The Guidelines, Part C, Opposition, Section 2: Double Identity and Likelihood of Confusion. Chapter 8, Global Assessment.

## 2 Assessment of Distinctiveness

It is useful to highlight again that the assessment of distinctiveness is broken down into two distinct parts: (i) the distinctiveness of components of a sign and (ii) the distinctiveness of the earlier mark as a whole. As explained below, the purpose of these separate assessments is different.

### Distinctiveness of components

When assessing likelihood of confusion, an analysis of whether the coinciding components are descriptive, allusive or otherwise weak is carried out in order to calculate the extent to which these coinciding components have a lesser or greater capacity to indicate commercial origin. This recognises that the consumer is more likely to consider that a descriptive, allusive or otherwise weak element of a mark is not being used to identify a particular undertaking, and thus to distinguish goods or services from those of other undertakings.

Consequently, although trade mark proprietors commonly use descriptive, allusive or otherwise weak elements as part of a trade mark to inform consumers about certain characteristics of the relevant goods or services, it may be more difficult to establish that the public may be confused as to origin due to similarities that solely pertain to weak elements.

The distinctiveness of the components of the earlier and of the contested mark must be examined.

### Distinctiveness of the earlier mark as a whole

The Canon judgment makes clear that (i) the more distinctive the earlier mark, the greater will be the likelihood of confusion and (ii) earlier 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. Consequently, the distinctive character of the earlier mark as a whole determines the strength and breadth of its protection and must be taken into consideration for the purposes of assessing likelihood of confusion (but not for assessing similarity between the marks – see ‘Western Gold’ et al above).

## 2.1 Examination of distinctiveness: general issues

### 2.1.1 What constitutes a ‘component’ or ‘element’ of a sign?

The Court has not defined what is to be regarded as a ‘component’ or ‘element’ of a sign. It is easy to identify components when a sign is visually divided into different parts (e.g. separate figurative and verbal components). However, the term ‘component’ encompasses more than such visual distinctions. Ultimately, the perception of the sign by the relevant public is decisive and a component exists wherever the relevant public perceives one. For example, the relevant public will often regard one-word signs as being composed of different components, in particular, where one part has a clear and evident meaning while the rest is meaningless or has a different meaning (e.g. in the mark EUROFIRT, ‘Euro’ will be widely understood as referring to Europe whereas ‘Firt’

is meaningless, giving this word mark two components: ‘Euro’ and ‘Firt’). In such cases, the elements of one-word signs could be regarded as ‘components’ in the terminology of the Court. However, word marks should not be artificially dissected. Dissection is not appropriate unless the relevant public will clearly perceive the components in question as separate elements. A case-by-case assessment is required as to whether the division of a sign into components is artificial (e.g. whether splitting the word ‘LIMEON’ for fruit into the components ‘LIME’ and ‘ON’ would be artificial or not)<sup>3</sup>.

### 2.1.2 What is distinctiveness?

The Court has defined distinctiveness in the following manner:

In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make 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 (emphasis added).

(See judgment of 22/06/1999, C-342/97, ‘Lloyd Schuhfabrik Meyer’, para. 22).

Importantly, distinctive character is a matter of degree and, when analysing distinctiveness, a sliding scale applies whereby a sign or an element of a sign can lack distinctiveness entirely, be highly distinctive or be at any point in-between.



A sign or an element of a sign is **not distinctive** if it is exclusively descriptive of the goods and services themselves or of the characteristics of those goods and services

<sup>3</sup> This is explained in greater detail in The Guidelines, Part C, Opposition, Section 2, Double Identity and Likelihood of Confusion, Chapter 3, Comparison of Signs.

(such as their quality, value, purpose, provenance, etc.) and/or if its use in trade is common for those goods and services. Similarly, a sign or an element of a sign that is generic (such as a common shape of a container or a common colour) will also lack distinctiveness.

A sign or an element of a sign may be **distinctive to a low degree** if it alludes to (but it is not exclusively descriptive of) characteristics of the goods and services. If the allusion to the goods and services is sufficiently imaginative or clever the mere fact that there is an allusion to characteristics of the goods might not materially affect distinctiveness. For example:

- ‘Billionaire’ for *gaming services* is allusive in a manner that would affect distinctiveness, because it implies for instance that you may become a billionaire.
- ‘Billy O’Naire’, which sounds identical to ‘billionaire’ in English, would be allusive for *gaming services* as a clever word-play on Irish names, in a manner that would not affect distinctiveness in a material way; it would be considered to have a ‘normal’ degree of distinctiveness.

A sign or an element of a sign that is neither descriptive nor allusive is deemed to possess a **‘normal’ degree of inherent distinctiveness**. This means that the sign or the element of a sign in question is fully distinctive, in the sense that its capacity to identify the goods and services for which it has been registered as coming from a particular undertaking is not in any way diminished or impaired.

Any **higher degree of distinctiveness** of the earlier mark acquired either through use or because it is highly original, unusual or unique, has to be proven by its proprietor by adducing appropriate evidence (see also paragraph 2.3 below). A mark will not necessarily have a higher degree of distinctive character just because there is no conceptual link to the relevant goods and services (order of 16/05/2013, C-379/12, ‘H.Eich’, para. 71).

Likewise, a CTM applicant may argue that the earlier sign or an element of a sign is distinctive to a low degree. One of the most frequent arguments brought by applicants is that the earlier trade mark or one of its components has a low distinctive character given that there are many trade marks which consist of, or include, the element in question. Where this argument is supported only by the applicant referring to trade mark registrations, the Office takes the view that the existence of several trade mark registrations is not per se particularly conclusive, as it does not necessarily reflect the situation in the market. In other words, on the basis of register data only, it cannot be assumed that all the trade marks have been effectively used.

It follows that the evidence filed must demonstrate that consumers have been exposed to widespread use of, and become accustomed to, trade marks that include the element in question in order to prove that the element in question has a low degree of distinctive character.

When dealing with the distinctiveness of the **earlier mark as a whole**, the latter should always be considered **to have at least a minimum degree of inherent distinctiveness**. Earlier marks, whether CTMs or national marks, enjoy a ‘presumption of validity’. The Court has made it clear in its judgment of 24/05/2012, C-196/11, ‘F1-LIVE’, paras 40-41, that ‘in proceedings opposing the registration of a Community trade mark, the validity of national trade marks may not be called into question’. The Court added that ‘it should be noted that the characterisation of a sign as descriptive or generic is equivalent to denying its distinctive character’.

### 2.1.3 Aspects of distinctiveness to be examined

Distinctive character should be assessed in respect of all the relevant characteristics of marks and their components. Therefore, the assessment should look at the ability of words, figurative elements, colours and/or 3D aspects of signs to identify the goods or services as coming from a particular undertaking.

The Office examines the main aspects of distinctiveness in the following manner:

1. The first aspect is to examine whether and to what extent the **components** are descriptive, laudatory or otherwise non-distinctive. The purpose is to determine whether the common parts in the signs are the (most) distinctive elements or not (see paragraph 2.2 below).
2. The second aspect is to check the distinctiveness of the **earlier mark, as a whole**. At this stage, the Office must consider as a first step the overall inherent distinctiveness of the earlier mark (see paragraph 2.2 below) and as a second step, if claimed and relevant for the outcome, whether the earlier mark has acquired enhanced distinctiveness as a consequence of the use the opponent has made of it (see paragraph 2.3 below).

The degree of distinctiveness per se of the earlier sign is one of the factors to be taken into account in the overall assessment (judgment of 11/11/1997, C-251/95, 'Sabèl', para. 23). It is a matter of law, which must be examined by the Office even if the parties do not comment on it. In contrast, the degree of enhanced distinctiveness acquired through use of the earlier sign is a matter of law and fact, which the Office cannot examine unless the opponent claims and substantiates it.

The inherent distinctiveness of the contested trade mark *as a whole* is not examined in the framework of the opposition proceedings, as it is the scope of protection of the earlier mark that is relevant for the purposes of likelihood of confusion. Likewise, also the enhanced distinctiveness of the contested sign is irrelevant because likelihood of confusion requires a consideration of the scope of protection of the earlier mark rather than that of the mark applied for. If an earlier mark is recognised as having a broader scope of protection by reason of its enhanced distinctiveness, the reputation acquired by the *mark applied for* is, as a matter of principle, irrelevant for the purpose of assessing likelihood of confusion (judgment of 03/09/2009, C-498/07P, 'La Española', para. 84).

### 2.1.4 Relevant point in time

The inherent distinctiveness of the signs (or their components) should be assessed at the time of the decision. The enhanced distinctiveness of the earlier trade mark/s (if claimed) should exist (i) at the time of filing of the contested CTM application (or any priority date) and (ii) at the time of the decision.

Establishing the precise point in time for evaluating distinctiveness is important because the degree of distinctiveness of the marks is not constant, but varies depending on the perception of the public. This perception may change not only due to the nature of the use of the specific mark, but also due to other factors (all these elements can only be considered from the evidence submitted by the parties). For

instance, the public's perception may change where a mark or some component thereof has been used in the meantime in a similar way by various businesses/traders in the relevant market sector. Such common use of a sign can erode the uniqueness of a sign and, consequently, its ability to indicate the origin of the goods and services. In this context, it is important to assess carefully whether the situation described exists in all the relevant geographical areas and with regard to all the relevant goods and services.

As an example, due to technological changes in the field of IT, there has been an increased number of instances where components such as 'I' (internet), 'E' (electronic) and 'M' (mobile) are used adjoined to a meaningful word. In the context of electronic communications, they are currently found to be descriptive (decision of 19/04/2004, R 0758/2002-2 – 'ITUNES', para. 11) whereas previously they were considered distinctive.

### 2.1.5 Relevant goods and services

The assessment of the *inherent distinctiveness* of the signs (or their components) is carried out only for the goods or services that have been found to be identical or similar, that is:

- The earlier mark is assessed with respect to the registered goods and services which have been found to be identical or similar to the contested goods and services;
- The contested trade mark is assessed with respect to the contested goods or services which have been found to be identical or similar to those of the earlier mark.

Where the degree of distinctiveness of the earlier sign (or component) differs depending on the goods or services it covers, this may have to be taken into account when determining the scope of the comparison of the goods and services at issue. For instance, even if there is identity between the contested goods or services and some of the goods or services of the earlier mark for which the degree of distinctiveness of the earlier mark (or a common element to both signs in conflict) is considered to be less than normal, the Office must take into account other goods or services of the earlier mark which are similar (not identical) to those of the contested mark but for which the degree of distinctiveness of the earlier mark (or component in question) is normal (or enhanced).

For example, an earlier mark includes the element '\$tiletos' which covers *women's footwear* and *headgear* and the contested goods are *footwear*. The element '\$tiletos' is weak for *women's footwear*, which is identical to the contested goods. However, the element '\$tiletos' is of normal distinctiveness for the earlier mark's *headgear*, which is similar to the contested goods. The Office must weigh up these interrelated factors in the Global Assessment.

Assessment of the *enhanced distinctiveness* of the earlier mark is carried out only in respect of the goods or services protected by the sign for which enhanced distinctiveness is claimed.

Furthermore, it is the perception of the relevant public for these goods and services that is of relevance (e.g. whether a specialist public is involved or not).

## 2.2 Examination of inherent distinctiveness

### 2.2.1 General principles

The first step in examining the distinctiveness of the earlier mark as a whole and of a component of the signs to be compared is to examine their inherent distinctiveness.

The examination of inherent distinctiveness is, in turn, carried out in two phases: first, it should be determined whether the relevant public recognises semantic content in the mark at issue and, second, whether or not the semantic content perceived is related to and/or commonly used in trade in relation to the identical or similar goods and services.

As regards the **first phase**, i.e. whether the relevant public recognises a semantic content, this is assessed in the conceptual comparison of signs, which is described in detail in another chapter of these Guidelines<sup>4</sup>.

The inherent distinctiveness of the marks or their components has to be evaluated by taking into account (each of) the relevant geographical area(s) and their different linguistic and cultural backgrounds. As such, the public in some parts of the relevant territory might not understand the descriptive content that a mark may have in other parts. In such cases, the distinctiveness of the mark in one area is not affected by the fact that it may be perceived differently in other areas.

Below is an example of a case where linguistic considerations were vital to the issue of distinctiveness:

Earlier sign	Contested sign	Case No
FRUTISOL	Solfrutta	T-331/08
G&S: Classes 29, 30 and 32 Territory: EU <i>Assessment of the components 'fruit' and 'sol':</i> '... it is necessary to distinguish between the perception by the public in those Member States, such as Italy and Spain, where the elements 'sol' and 'fruit' are generally recognisable and can be understood as alluding to 'sun' and 'fruit' respectively, and the perception by the public in those Member States, such as Hungary, Finland and Lithuania, where those elements have no such close equivalent in their national languages'. In the first category of Member States, consumers are liable to associate both marks with the notions of 'fruit' and 'sunshine'. There will consequently be a certain level of conceptual similarity between them.... In Member States of the second category, consumers will not perceive any conceptual similarity between the signs since they will not attach any particular meaning to the constituent parts of either sign. (paragraphs 21 to 24).		

The **second phase** consists of correlating any meaning that the public perceives in the marks with the identical or similar goods and services in dispute. If the relevant public perceives such meaning as descriptive, laudatory or allusive (in a manner which materially affects distinctiveness), etc. for these goods and services, then its distinctiveness will be diminished accordingly. It may be necessary to distinguish between the various goods and services involved because the finding of no or limited distinctiveness might relate to only part of those goods and services.

<sup>4</sup> See The Guidelines, Part C, Opposition, Section 2, Double Identity and Likelihood of Confusion, Chapter 3, Comparison of Signs: Conceptual Comparison.

The criteria applied to examining the inherent distinctiveness of a sign or a component of a sign are the same as the relevant principles applied when examining marks on absolute grounds<sup>5</sup>. However, in relative grounds disputes, the question is not merely whether a sign or component is distinctive or not (i.e. whether it reaches the minimum distinctiveness threshold for registration), but also to what degree it is distinctive within the sliding scale previously mentioned. Therefore, for instance, a term that is not descriptive but merely allusive for the goods or services in question might be distinctive enough to pass the absolute grounds test, but still have less than normal distinctiveness for the purposes of relative grounds.

Earlier registered trade marks are presumed to have at least a minimum degree of inherent distinctiveness<sup>6</sup>. Where evidence is adduced to challenge this presumption and the evidence is found to be persuasive, the earlier mark may be afforded only a very narrow scope of protection, but protection will not be completely denied. If the CTM applicant proves that it has started a cancellation action against the earlier registered mark, then it might be necessary to suspend the opposition proceedings pending the outcome of said action.

The outcome of the examination of inherent distinctiveness will be one of the following.

#### Components

- The component has **less than normal or no distinctiveness** because it is descriptive, allusive or laudatory of characteristics of the identical or similar goods or services (or because it is otherwise weak). See the examples below.
- The component has **normal distinctiveness** because it is not descriptive, evocative, allusive or laudatory (or because it is not otherwise weak) in relation to the identical or similar goods or services.

#### The earlier mark as a whole

- The earlier mark has **less than normal distinctiveness** because, as a whole, it is allusive (in a manner which materially affects distinctiveness) or laudatory of the characteristics of the identical or similar goods or services (or because it is otherwise weak). As set out above, the Office will not conclude that an earlier mark as a whole is descriptive and/or non-distinctive)
- The earlier mark has **normal distinctiveness** because, as a whole, it is not descriptive, allusive (in a manner which materially affects distinctiveness) or laudatory (or is not otherwise weak) in relation to the identical or similar goods or services.

It should be noted that it is the Office's practice to consider that, when the earlier mark (or the component) is not descriptive (or is not otherwise non-distinctive), it is deemed to have a normal degree of inherent distinctiveness. As indicated above, this degree of distinctiveness can be further enhanced if appropriate evidence is adduced showing

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<sup>5</sup> These are described in The Guidelines, Part B, Examination.

<sup>6</sup> See the judgment in C-196/11, 'F1-LIVE', cited in paragraph 2.1.2 above.

that a higher degree of distinctiveness of the earlier mark has been acquired through use or because it is highly original, unusual or unique.

As noted in paragraph 2.1 above, word marks consisting of a single word may still contain various components, some of which may be more distinctive than others (see T-331/08 ‘Solfrutta’ above).

### 2.2.1.1 Examples of descriptive components

Earlier sign	Contested sign	Case No
BYLY		T-514/08
<p>G&amp;S: Class 3                      Territory: EU                      Assessment of the element ‘products’: ‘... the term ‘products’ is not distinctive enough to be taken into consideration by the consumers’ (para. 39).</p>		
Earlier sign	Contested sign	Case No
		T-490/08
<p>G&amp;S: Class 36                      Territory: EU                      Assessment of ‘CAPITAL MARKETS’: ‘the relevant public, consisting of consumers who are very attentive, well informed and familiar with basic English financial terminology, will attach little significance to the meaning of the words ‘capital’ and ‘markets’, which are descriptive of those services and which do not enable the commercial origin of the trade marks at issue to be identified’ (para. 59).</p>		
Earlier sign	Contested sign	Case No
		R 0834/2009-1
<p>G&amp;S: Classes 3 and 5                      Territory: EU                      Assessment of the earlier right: even though the signs have some similarities, the expression ‘NATURAL BRONZE’ is descriptive of the purpose of the goods (tanning) in relation to the products in Class 3 (para. 31).</p>		
Earlier sign	Contested sign	Case No
	CINETAIN	R 1306/2009-4
<p>G&amp;S: Classes 38 and 41                      Territory: Spain                      Assessment of the element ‘CINE’: The word ‘cine’ has a descriptive meaning in the sense of ‘cinema (film)’. Therefore, this component has only limited relevance in the perception of the signs (para. 36).</p>		

Earlier sign	Contested sign	Case No
	NATURAL BEAUTY FROM WITHIN	R 0991/2010-2
<p>G&amp;S: Classes 3 and 5                      Territory: Germany                      Assessment of the element 'NATURAL BEAUTY': The element 'NATURAL BEAUTY' is a plain and essential indication of the kind and quality of the goods. The German public understands the meaning of these two basic words as well as the combination thereof (paras 31 to 35).</p>		

2.2.1.2 Examples of laudatory components

Earlier sign	Contested sign	Case No
	MAGIC SEAT	T-363/06
<p>G&amp;S: Class 12                      Territory: Spain                      Assessment of the element 'MAGIC': The word 'magic' will be perceived by the relevant public as a simple qualifier for the word 'seat' on account of its resemblance to the Spanish word 'mágico', which is purely laudatory (para. 39)..</p>		
Earlier sign	Contested sign	Case No
STAR SNACKS		T-492/08
<p>G&amp;S: Classes 29, 30 and 32                      Territory: EU                      Assessment of the element 'STAR': The word element 'STAR' is laudatory, as it merely constitutes (together with the remaining elements of the signs) a reference to high-quality food products (para. 52).</p>		

2.2.1.3 Examples of allusive components

Earlier sign	Contested sign	Case No
EL COTO		T-332/04
<p>G&amp;S: Classes 33, 35, 39                      Territory: EU                      Assessment of distinctiveness of the image in the contested CTMA: The figurative element of the mark evokes a vineyard; this component has little distinctive value as regards wines (paragraph 38).</p>		

Earlier sign	Contested sign	Case No
	WORLDBANK	T-325/04
<p>G&amp;S: Class 36                      Territory: EU                      Assessment of the element 'LINK': the element 'LINK' is not immediately descriptive of inter alia 'banking services for the dispensing of cash; funds transfer and payment services; financial information services' (Class 36) covered by the earlier mark, but merely allusive in relation to them.</p>		

2.2.1.4 Examples of inherently weak earlier marks (as a whole)

Earlier sign	Contested sign	Case No
		R 522/2010-1 (confirmed T-60/11)
<p>G&amp;S: Classes 30, 31 and 42                      Territory: EU                      Assessment of distinctiveness of the earlier sign: '... the Board considers that the earlier sign is a trade mark with a very weak distinctive character. As has been described above, the overall impression of this sign does not amount to anything more than the simplified design of a tag in which the word 'PREMIUM' is visually prominent. This word is a laudatory reference to something excellent (for example, the quality of a product), and owing to its widespread nature and to the common use thereof in the marketing of various goods and services, it will be understood by most of the European public' (para. 38).</p>		
Earlier sign	Contested sign	Case No
KID		R 0249/2002-3
<p>G&amp;S: Class 28                      Territory: Spain                      Assessment of distinctiveness of the earlier sign: The earlier trade mark consists of the word KID. That word means a young person, a child. Applied to games and toys in Class 28, the term is clearly descriptive. It indicates, in a direct and immediate way, the destination of the goods covered by the earlier registration. For that reason, the trade mark of the opponent has a very weak distinctive character (para. 16).</p>		

2.2.2 Specific themes

2.2.2.1 One-letter signs, numerals and short signs

The Court, in its judgment of 09/09/2010, C-265/09P 'a', held that the distinctiveness of single letter trade marks must be assessed according to an examination based on the facts, focusing on the goods or services concerned and the **same criteria that apply to other word marks** (paras 33-39). Although that judgment deals with absolute grounds, the Office considers that the principle established by the Court (i.e. that the application of the criterion of distinctiveness must be the same for all marks) also applies in *inter partes* cases when it comes to determine the distinctiveness of single letter trade marks.

The Court, although acknowledging that it may prove more difficult to establish distinctiveness for marks consisting of a single letter than for other word marks, held that these circumstances do not justify laying down specific criteria supplementing or derogating from application of the criterion of distinctiveness as interpreted in the case-law.

The Office considers the ruling to mean that, when establishing the distinctiveness of an earlier mark, it is not correct to rely on: assumptions such as *a priori* statements that consumers are not in the habit of perceiving single letters as trade marks or on generic arguments such as that relating to the availability of signs, given the limited number of letters.

The General Court has since stated in a number of cases that a trade mark containing a **single letter** or a single numeral may indeed be inherently distinctive (see judgment of 08/05/2012, T-101/11 ‘G’, para. 50, judgment of 06/10/2011, T-176/10 ‘Seven for all mankind’, para. 36 and judgment 05/11/2013, T-378/12, ‘X’ paras 37 - 51).

In its judgment of 10/05/2011, T-187/10, ‘G G Line’, the General Court dismissed the applicant’s argument that single letters are generally per se devoid of distinctive character and that therefore only their graphic representation would be protected (see paras 38 and 49).

Consequently, whilst registered **earlier trade marks consisting of a single letter (or numeral) represented in standard characters** enjoy a presumption of validity, ultimately their degree of inherent distinctiveness will have to be assessed with reference to the goods and/or services concerned.

If the corresponding claim is made, account should be taken of evidence filed by the opponent which shows that its registered trade mark consisting of a single letter has acquired **enhanced distinctiveness**. This circumstance could lend the earlier trade mark a broader scope of protection.

The above considerations apply both to single letter/numeral trade marks represented in standard characters (i.e. word marks) and to stylised single letter/numeral trade marks.

Furthermore, in accordance with the ‘*α*’ judgment, as regards **two-letter signs**, unless the letter combination, as such, is intrinsically non-distinctive for the goods and services (e.g. ‘XL’ for goods in Class 25), these signs are not necessarily distinctive only to a low degree. The same rules apply to numerals.

#### 2.2.2.2 Commonplace and banal elements

There are instances where the signs are composed of one (or various) distinctive verbal element(s) and one (or various) figurative element(s) that are perceived by the relevant public as being commonplace or banal. Such figurative elements frequently consist of a simple geometrical shape (e.g. frames, labels) or of colours frequently used in the market sector (e.g. red for fire extinguishers, yellow or red or orange for the postal sector depending on the Member State concerned). For this reason, such commonplace and banal elements are considered non-distinctive.

Earlier sign	Contested sign	Case No
ARCO		R1929/2010-2
<p>G&amp;S: Class 9 Territory: EU <i>Assessment of figurative elements:</i> the verbal elements of the two signs coincide. Even if it is not negligible in terms of its size, the figurative element of the contested CTM is likely to be perceived by consumers essentially as a mere decorative element, and not as an element indicating the commercial origin of the goods (para. 43).</p>		

### 2.2.2.3 Disclaimers

Pursuant to Article 37 CTMR, the Office may impose a disclaimer if the mark contains an element that is not distinctive and if inclusion of that element would lead to doubts as to the scope of protection. The Office also accepts disclaimers entered voluntarily. Some national trade mark systems also provide for disclaimers.

Such disclaimers bind the Office and have compulsory effect even if upon independent analysis the element might appear distinctive.

The effect of a disclaimer is:

- if the earlier mark contains a disclaimer, that the proprietor is prevented from successfully invoking rights in the disclaimed element. Therefore, there will be no likelihood of confusion with a later CTMA that coincides only in the disclaimed element (see decision of 06/10/2008, R 0021/2008-4 – ‘AUTENTICO JABUGO’, para. 17, where JABUGO was disclaimed).
- if the earlier figurative mark contains two words and both are disclaimed, that the scope of protection is reduced to the precise manner and sequence in which the two words are combined.

As regards the disclaimers in the contested CTM, these serve no purpose as they cannot bind the owner of the earlier mark, i.e., the CTMA proprietor cannot unilaterally reduce the scope of protection of the earlier mark (see decision of 11/02/2010, R 0229/2009-2 – ‘DOUGHNUT THEATER’, para. 58 or decision of 29/03/2012, R 2499/2010-1 – ‘ACETAT Silicon 101E (fig.)’, paras 18 and 19).

### 2.2.2.4 Collective marks

Where the mark on which the opposition is based is a collective mark, its inherent distinctiveness is to be assessed in the usual way. The mark may have a low or even very low degree of inherent distinctiveness when it refers to the nature or other characteristics of the goods concerned. The fact that the mark is a collective mark does not imply that its scope of protection is broader (see judgment of 13/06/2012, T-534/10, ‘HELLIM’, paras 49-52, and judgment of 05/12/2012, T-143/11, ‘F.F.R.’ para. 61).

## 2.3 Examination of enhanced distinctiveness

After the obligatory **examination of inherent distinctiveness** (see paragraph 2.1.3 above), the second step is to check – provided the opponent has made the corresponding claim<sup>7</sup> – whether the earlier mark has acquired enhanced distinctiveness at the time of filing (or priority date) of the contested CTM application as a consequence of the use that the opponent has made of it.

The distinctiveness of the earlier mark always has to be taken into account when deciding on likelihood of confusion. The more distinctive the earlier trade mark, the greater will be the likelihood of confusion (judgment of 11/11/1997, C-251/95, ‘Sabèl’, para. 24). Therefore, marks with a highly distinctive character, either per se or because of the recognition they possess on the market, enjoy broader protection than marks with a less distinctive character (judgment of 29/09/1998, C-39/97, ‘Canon’, para. 18).

In practice, this means that the fact that an earlier trade mark enjoys enhanced distinctive character or reputation is an argument in favour of finding likelihood of confusion.

Enhanced distinctiveness requires recognition of the mark by the relevant public. This recognition may enhance the distinctiveness of marks with little or no inherent distinctiveness or those which are inherently distinctive.

Earlier mark	Contested sign	Case No
CRISTAL		R 0037/2000-2
<p>G&amp;S: Class 33 Territory: France Assessment of the earlier mark ‘CRISTAL’: ‘As regards the claim that ‘Cristal’ is a descriptive word for the goods at issue (sparkling wines with crystalline character), the Board cannot accept it. On the one hand, it is an evocative indication which suggests the crystalline character of wines, but which in no way describes the product. On the other hand, [the Board] considers that a highly distinctive character of the mark CRISTAL on the French market had been shown’ (para. 31).</p>		

The Court has given some guidance in respect of the evaluation of distinctiveness acquired through use of the earlier mark and provided a non-exhaustive list of factors:

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

<sup>7</sup> See The Guidelines, Part C, Opposition, Section 1, Procedural Matters.

and statements from chambers of commerce and industry or other trade and professional associations.

(See judgment of 22/06/1999, C-342/97, ‘Lloyd Schuhfabrik Meyer’, para. 23)

The evidence of enhanced distinctiveness acquired through use must refer to both (i) the relevant geographical area and (ii) the relevant goods and services. The opponent may claim enhanced distinctive character of the earlier mark for only part of the registered goods and services. According to the evidence submitted, the Office must establish precisely for which goods and services distinctiveness has been acquired.

The nature, factors, evidence<sup>8</sup> and assessment of enhanced distinctiveness are the same as in reputation. However, a finding of reputation requires that a certain threshold be met whilst, as set out above, for a finding of enhanced distinctiveness the threshold may be lower. Enhanced distinctiveness is anything above inherent distinctiveness.

Earlier mark	Contested sign	Case No
EL COTO		T-332/04
<p>G&amp;S: Classes 33, 35, 39 Territory: EU Assessment of the enhanced distinctiveness of the trade mark ‘EL COTO’: The Board of Appeal took into account the market knowledge of the earlier mark ‘EL COTO’ and made a proper assessment of the relevant case-law principles to conclude that the earlier mark ‘EL COTO’ has a highly distinctive character; it based its finding on the following facts: the certificate issued by the Secretary General of the Consejo Regulador de la Denominación de Origen Calificada ‘Rioja’, which certifies that the owner markets its wines, among others, under the brand names ‘El Coto’ and ‘Coto de Imaz’ since 1977 and that these marks ‘enjoy a significant well-known character’ in Spain, various decisions of the Spanish Patent and Trade Mark Office acknowledging that the mark ‘EL COTO’ is well known in Spain, a document on sales evolution, indicating that they had sold under the mark ‘El Coto’ 339,852, 379,847, 435,857 and 464,080 boxes of twelve bottles of wine in 1995, 1996, 1997 and 1998, respectively’ (paragraph 50).</p>		

Importantly, the Court has also held that the acquisition of the distinctive character of a mark may be as a result of its use as part of another registered trade mark (judgment of 07/07/2005, C-353/03, ‘Have a break’, paras 30 and 32 and judgment of 07/09/2006, T-168/04, ‘Aire Limpio’, para. 74). It is sufficient that, in consequence of such use, the relevant public actually perceives the product or service designated by the earlier marks as originating from a given undertaking.

The outcome of the examination of the enhanced distinctiveness will be one of the following.

- Where there is no evidence of enhanced distinctiveness as regards the relevant goods and services or the territory, or the evidence is insufficient, the level of

<sup>8</sup> For further details on the evidence required and its assessment see The Guidelines, Part C, Opposition, Section 5, Article 8(5).

distinctiveness of the earlier mark will be its inherent distinctiveness (less than normal or normal).

- Where there is evidence of enhanced distinctiveness as regards all or some of the relevant goods and services and the territory, and the evidence is sufficient:
  - if the earlier mark has less than normal inherent distinctiveness, the mark/component may have acquired a normal or even a high degree of distinctiveness, depending on the evidence filed<sup>9</sup>; or
  - if the earlier trade mark has normal inherent distinctiveness, it may have acquired high distinctiveness.

It must be recalled that although a mark as a whole may have acquired enhanced distinctiveness, there may be descriptive elements that will have less than normal or no distinctiveness. For example, the enhanced distinctiveness of the mark 'Coca Cola' as a whole does not alter the fact that the element 'Cola' remains entirely descriptive for certain products.

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<sup>9</sup> For further details on the evidence required and its assessment see The Guidelines, Part C, Opposition, Section 5, Article 8(5).