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 5

DISTINCTIVENESS OF THE EARLIER MARK
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1 General Remarks

The European Court of Justice (the ‘Court’) held in its judgment of 29/09/1998, C-39/97, Canon, EU:C:1998:442, § 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.

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 of a component of the marks within their comparison.

Whereas distinctive character must be assessed for the components of both the earlier mark and the contested mark, 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 2.1.2 below. Therefore, any reference below to the distinctiveness of the mark as a whole refers exclusively to the earlier mark.

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, EU:T:2012:1257, § 42-45; 25/03/2010, T-5/08 and T-7/08, Golden Eagle/Golden Eagle Deluxe, EU:T:2010:123, § 65; 19/05/2010, T-243/08, EDUCA Memory game, EU:T:2010:210, § 27).

2 Assessment of distinctiveness of the earlier mark

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 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).

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1 See Chapter 4, Comparison of the signs.
2 See also Objective 1 of the Common Practice on the impact of non-distinctive/weak components on likelihood of confusion agreed within the framework of the European Trade Mark and Design Network.
2.1 General issues

2.1.1 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).


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

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 (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 that is generic (such as a common shape of a container or a common colour) will also lack distinctiveness.

A sign may be distinctive to a low degree if it alludes to (but 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 that is neither descriptive nor allusive is deemed to possess a ‘normal' degree of inherent distinctiveness. This means that the 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 acquired by the earlier mark has to be proven by its proprietor by submitting 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 P, H/Eich, EU:C:2013:317, § 71).

Likewise, a CTM applicant may argue that the earlier 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 low distinctive character given that there are many trade marks that consist of, or include, the element in question. Where this argument is supported only by the applicant’s 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 this element 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 made it clear, in its judgment of 24/05/2012, C-196/11, F1-Live, EU:C:2012:314, § 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’.

2.1.2 Inherent and enhanced distinctiveness

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).

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3 See also Objective 1 of the Common Practice on the impact of non-distinctive/weak components on likelihood of confusion agreed within the framework of the European Trade Mark and Design Network.
The degree of distinctiveness 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, EU:C:1997:528, § 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 in due time (see Part C, Opposition, Section 1, Procedural Matters, paragraph 4.2. Substantiation).

The inherent distinctiveness of the contested trade mark as a whole is not examined within 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, the enhanced distinctiveness of the contested sign is also 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-498/07 P, La Española, EU:C:2013:302, § 84).

2.1.3 Relevant point in time

The inherent distinctiveness of the earlier mark(s) 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.

2.1.4 Relevant goods and services

The assessment of the inherent distinctiveness of the earlier mark is carried out only for the goods or services that have been found to be identical or similar to the contested goods and services.

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 of the earlier mark

2.2.1 General principles

The first step in examining the distinctiveness of the earlier mark is to examine its inherent distinctiveness. The same rules and principles apply as those for the examination of distinctiveness of components, in terms of the relevant public and its linguistic and cultural background, relevant territory, relevant goods and services, etc. (see Chapter 4, paragraph 3.2 of this Section).

At the stage of determining the distinctiveness of the earlier mark as a whole, distinctiveness of its various components (or its only component) has already been...
established in the section on comparison of signs. In principle, if an earlier mark contains a normally distinctive component, then the inherent distinctiveness of such an earlier mark as a whole is also normal, regardless of the possible presence of other non-distinctive or weak components. If the most distinctive component of the earlier mark is distinctive only to a low degree, then in principle the overall inherent distinctiveness of that mark will be no more than low.

As mentioned above, earlier registered trade marks are presumed to have at least a minimum degree of inherent distinctiveness, even where persuasive evidence is submitted to challenge this presumption. 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 of the earlier mark as a whole will be one of the following.

- The earlier mark has less than normal distinctiveness because, as a whole, it is allusive (in a way that materially affects distinctiveness) or laudatory of the characteristics of 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 way that materially affects distinctiveness) or laudatory (or is not otherwise weak) in relation to identical or similar goods or services.

It should be noted that it is Office practice, when an earlier mark is not descriptive (or is not otherwise non-distinctive), to consider it as having no more than a normal degree of inherent distinctiveness. As indicated above, this degree of distinctiveness can be further enhanced if appropriate evidence is submitted showing that a higher degree of distinctiveness of the earlier mark has been acquired through use or because it is highly original, unusual or unique (26/03/2015, T-581/13, Royal County of Berkshire POLO CLUB (fig.) / BEVERLEY HILLS POLO CLUB et al., EU:T:2015:192, § 49, last alternative). It should, however, be recalled that 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 P, H/Eich, EU:C:2013:317, § 71).

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-265/09 P, α, EU:C:2010:508 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 (paragraphs 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 determining the distinctiveness of single-letter trade marks.

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4 See the judgment of 24/05/2012, C-196/11, F1-Live, EU:C:2012:314, cited in paragraph 2.1.1 above.
The Court, while 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 (judgments of 08/05/2012, T-101/11, G, EU:T:2012:223, § 50; 06/10/2011, T-176/10, Seven for all mankind, EU:T:2011:577, § 36; 05/11/2013, T-378/12, X, EU:T:2013:574, § 37-51).

In its judgment of 10/05/2011, T-187/10, G, EU:T:2011:202, 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 § 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 submitted by the opponent that 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.

Where the opponent has successfully proven that its single-letter trade mark has acquired enhanced distinctiveness through intensive use, the impact thereof on the final outcome has to be carefully assessed. Firstly, enhanced distinctiveness on the part of the earlier single-letter trade mark cannot justify a finding of likelihood of confusion if the overall visual impression conveyed by the signs is so different as to safely set them apart. Secondly, if the evidence shows use of a single-letter trade mark that is stylised or accompanied by additional figurative elements, the benefit of the resulting broader scope of protection accrues to the form in which it was used and not to the single letter as such or any other stylised variation.

Furthermore, in accordance with the ‘α’ judgment, as regards short signs, unless a letter combination, as such, is intrinsically non-distinctive for the goods and services (e.g. ‘S’ or ‘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 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 (judgments of 13/06/2012, T-534/10, Hellim, EU:T:2012:292, § 49-52 and 05/12/2012, T-143/11, F.F.R. EU:T:2012:645, § 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 — 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, EU:C:1997:528, § 24). Therefore, marks with a highly distinctive character, enjoy broader protection than marks with a less distinctive character (judgment of 29/09/1998, C-39/97, Canon, EU:C:1998:442, § 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 that are inherently distinctive.

<table>
<thead>
<tr>
<th>Earlier mark</th>
<th>Contested sign</th>
<th>Case No</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRISTAL</td>
<td>CRISTAL</td>
<td>R 0037/2000-2</td>
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</table>

G&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’ (paragraph 31)

5 See the Guidelines, Part C, Opposition, Section 1, Procedural Matters.
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; and statements from chambers of commerce and industry or other trade and professional associations.

(Judgment of 22/06/1999, C-342/97, Lloyd Schuhfabrik, EU:C:1999:323, § 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 and assessment of enhanced distinctiveness are the same as for reputation. For further details on the evidence required and its assessment see the Guidelines, Part C, Opposition, Section 5, Trade Marks with Reputation (Article 8(5) CTMR).

However, a finding of reputation requires that a certain threshold of recognition be met whilst, as set out above, the threshold for a finding of enhanced distinctiveness may be lower.

Enhanced distinctiveness is anything above inherent distinctiveness.

### Table: Assessment of the enhanced distinctiveness of the trade mark ‘EL COTO’

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<thead>
<tr>
<th>Earlier mark</th>
<th>Contested sign</th>
<th>Case No</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL COTO</td>
<td>Coto D’Arcis</td>
<td>T-332/04</td>
</tr>
</tbody>
</table>

G&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)
Importantly, acquisition of enhanced distinctive character by a mark may be a result of its use as part of another registered trade mark (judgments of 07/07/2005, C-353/03, Have a break, EU:C:2005:432, § 30-32; and 07/09/2006, T-168/04, Aire Limpio, EU:T:2006:245, § 74).

The outcome of the examination of 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 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 submitted; 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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6 For further details on the evidence required and its assessment see the Guidelines, Part C, Opposition, Section 5, Trade Marks with Reputation (Article 8(5) CTMR).