

The Likelihood of Confusion in the European Union Trade Mark Opposition Procedure – Part I

The European Union ('EU') has attempted to establish a unitary regime to provide for a single filing system for trade mark registration through the inception of the Community Trade Mark Regulation ('CTMR')¹, which due to recent amendments, has now been renamed the European Trade Mark Regulation ('EUTMR'). The term 'Community Trade Mark' ('CTM'), now 'European Trade Mark' ('EUTM'), under the said Regulation, includes any mark which consists of different words, shapes, designs and graphics which together can differentiate between goods or services of one enterprise from another. Moreover, the EUTMR provides owners of earlier trade mark rights the opportunity to oppose registration regarding any mark which is identical, similar or creates confusion with their earlier mark and the goods or services it assimilates with.

The opposition procedure under Article 8 of the EUTMR sets out relative grounds upon which oppositions can be based on, always initiated as *inter partes* proceedings, based on the likelihood of conflict with an earlier mark. Cases of oppositions may vary from absolute identity between goods, services or marks, in which case there is a presumption of 'likelihood of confusion', due to the marks being evidently identical, to a situation of mere similarity where the 'likelihood of confusion' is not presumed but is required to be proven. These cases are examined thoroughly by the Opposition Division of the European Union Intellectual Property Office (EUIPO), which was previously called the Office for Harmonization in the Internal Market (OHIM).

The notion of '**likelihood of confusion**' is very important to any opposition procedure. The creation of public confusion is essential to the objection, along with a number of other important issues which need to be addressed when assessing similarity between goods, services or marks respectively.

The EUTMR does not specifically define the said notion, thus, the precise meaning of 'likelihood of confusion' has been the debate of many authors and cases for years. Today, the public as well as the EUIPO have settled on case law and follow the trend whereby 'likelihood of confusion' fundamentally refers to two particular situations in which:

- "1. The public confuses the conflicting trade mark that is to say, mistakes the one for the other;*
- 2. The public makes a connection between the conflicting trade marks and assumes that the goods/ services in question are from the same or economically-linked undertakings (likelihood of association)"*²

Keeping this in mind, it is important to understand that to establish whether 'likelihood of confusion' actually exists, an overall assessment of several factors has to take place. Moreover, one can ask, to what extent should registrations be rejected or accepted upon proof of 'likelihood of confusion' and how far should one go when analysing the said notion? This is again a matter of interpretation of the Courts as well as legal authors.

¹ Council Regulation (EC) No 207/2009 on the Community Trade Mark

² 'Guidelines for Examination of European Trade Marks' Part C, Opposition, Section 2, Double Identity and Likelihood of Confusion, Chapter 1, Sub section 3.1, Page 5 [Version 1.0, 01.02.2017]

The factors which contribute to the overall assessment of 'likelihood of confusion' should be assessed while keeping the following in mind:

1. Whether there is a threshold requirement that the goods or services and the signs be 'similar';
2. The factors to assess similarity of both goods or services and signs;
3. The nature of the relevant confusion and the overall assessment.

Further assessment of the above mentioned factors is a topic which can be discussed separately, however, for purposes of this piece, reference will be made to factors established by case law developed over the years, in particular through the case of *Sabel vs Puma*.³

The *Sabel vs Puma* case, decided back in 1997, has proved to be crucial in helping parties understand how 'likelihood of confusion' is examined, as it established a number of fundamental propositions which helped in understanding what 'identical marks' are, and how to assess, in a number of stages, the notion of 'likelihood of confusion'.

Generally, the assessment of 'likelihood of confusion' involves several factors, the most important of which being:

- Similarity between goods or services.
- Similarity between marks.
- Dominant character of the marks.
- Distinctiveness of the mark.
- The relevant public.
- Global Assessment.

The fact that no specific factors are precisely stated in the EUTMR, nor are any factors stated by the EUIPO, the EUIPO itself bases its opposition decisions on factors created through case law. This shows the importance of the above stated factors, particularly, the similarity between goods and services and the similarity between marks, which factors shall be assessed in this piece and subsequently in Part II of the same.

The degree of **similarity between goods or services** in opposition proceedings is of great importance and must be taken into account when considering 'likelihood of confusion'. One might ask, is there a threshold to the goods or services being considered similar for purposes of Article 8(1) (b)⁴? Through examining and assessing a number of cases, the courts seemed to have considered that such threshold actually exists, in that the question of similarity must in itself be assessed as a whole.

The Court confirmed this position in 2014 when in *Vedal vs OHIM* it stated that;

"For the purposes of applying Article 8(1) (b) of Regulation No.40/40., the likelihood of confusion presupposes both that the mark applied for and the earlier trade mark are identical or similar, and

³ Case C-251/95 *Sabel vs Puma* [11/11/1997] European Court of Justice

⁴ Council Regulation (EC) No 207/2009 on the European Union Trade Mark, Article 8 (1) (b) "if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark"

that the goods or services covered by the application for registration are identical or similar to those in respect of which the earlier mark is registered. Those conditions are cumulative.”⁵

Moreover, in *Canon vs MGM*⁶ the Court went a step further in emphasising that all factors relating to the goods or services themselves must be taken into account. The Court established these factors to be the below;

1. **Nature** – refers to the essential quality or characteristic of the said good or service. The nature is ultimately what the good or service is; for example: ‘Foundation is a cosmetic’.
2. **Intended purpose** – is generally defined as “the reason for which something is done or created or for which something exists”⁷. This ultimately means the intended use of the goods or services and not any diverted use.
3. **Method of use** - defines how goods achieve their purpose.
4. **Complementarity** – relates to those goods which “are closely connected in the sense that one is essential or significant for using the other so that consumers may think that the same company is responsible for manufacturing those goods”.⁸
5. **In competition** - when there is direct competition between goods or services, and one can substitute the other, they are said to be in competition.

Moreover, while the aforementioned factors (the ‘Canon Factors’) are still greatly relied upon by the EUIPO and the courts, in its guidelines the EUIPO has taken three additional factors into consideration⁹:

1. **The distribution channels** - if the goods or services in question make use of the same distribution channel, it would be more probable for consumers to ‘presume’ that the goods or services in question derive through the same market.
2. **The relevant public** - the perception of the relevant public, comprising actual or potential customers, is of great importance. This relevant public may consist of the public at large and also business customers.
3. **The usual origin (producer/provider)** – The usual origin of goods or services is considered as an indication of high similarity when according to the public the goods or services have the same usual origin.

In conclusion, one should keep in mind that while the Canon Factors were originally considered individually by courts for establishing whether likelihood of confusion subsists, today this is not be the case. To the contrary, seeing as some criteria are interrelated while other criteria might be more important than others, all factors should be assessed as one. Moreover, to truly examine and establish ‘likelihood of confusion’ one must also assess the **similarity between marks**, which notion will be duly assessed and examined in Part II of this piece which shall be published subsequently.

⁵ Case C-106/03 Vedral vs OHIM [12/10/2004] European Court of Justice , para.23

⁶ Case C-39/97 Canon vs MGM [29/09/1998] European Court of Justice

⁷ Oxford English Dictionary definition

⁸ Case T-74/10 Flaco-Geräte GmbH vs OHIM [22/09/2011] General Court, para.40

⁹ ‘Guidelines for Examination of European Trade Marks’ Part C, Opposition, Section 2, Double Identity and Likelihood of Confusion, Chapter 2, Sub section 3.2, Pages 31-35 [Version 1.0, 01//02/2017]