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NOTIONS OF 'LIKELIHOOD OF CONFUSION'
AND OF 'TRADEMARK WITH A REPUTATION'
IN THE HARMONIZED EU TRADEMARK LAW**Introduction**

For more than a quarter of a century, the general conditions for the registration of a national trademark¹ have been harmonized at the level of the European Community/Union. The Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trademarks (repealed by Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008, hereinafter referred to as the Directive) defined the nature of signs of which a trademark may consist. However, even if a sign fulfils all the conditions required by the Directive, the registration may be refused or invalidated if it conflicts with a prior right. In other words, a sign can perfectly meet the requirements related to its nature (Article 2 of the Directive) and validity (Article 3 of the Directive), without being available because of a pre-existing right. General grounds for refusal or invalidity do not include the situation that could be defined as unavailability of sign, the consequence of which is also invalidity. The severity of this consequence is even more striking if one considers that in the absence of a prior conflicting right the way to the full validity of the registered sign would be wide open. For this particular reason, the provision of the Directive related to the grounds for refusal or invalidity concerning conflicts

¹ Directive 2008/95/CE of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trademarks (*Official Journal of the European Union* L 299, 08.11.2008, pp. 25–33), as well as the Council Regulation (EC) No. 207/2009 of 26 February 2009 on the Community trade mark (*Official Journal of the European Union* L 78, 24.03.2009, pp. 1–42) are referring to “Community trade mark” and not “trademark”. However, due to its widespread presence in theory, the latter term will be used in this article. See also: G.B. Dinwoodie, M.D. Janis, *Trademark Law and Theory – A Handbook of Contemporary Research*, Edward Elgar Publishing Limited, Cheltenham 2008; A.L. Brookman, *Trademark Law – Protection, Enforcement and Licensing*, Wolters Kluwer, New York 2014; B. Barton, *The Semiotic Analysis of Trademark Law*, “University of California Law Review” 51/2003, pp. 621–640; M. Bartholomew, *Advertising and the Transformation of Trademark Law*, “New Mexico Law Review” 38/2008, pp. 1–48; R.H. Hu, *International Legal Protection of Trademarks in China*, “Marquette Intellectual Property Law Review” 1/2009, pp. 71–99.

with earlier rights is very detailed, while its interpretation by the Court of Justice of the European Union (CJEU)² is quite abundant. More precisely, Article 4 of the Directive consists of two main groups of provisions: on the one hand, its paragraphs 1 to 3 introduced the rules that are mandatory in its entirety for all Member States; on the other hand, its paragraphs 4 to 6 completed those rules with some optional solutions that the national legislators may or may not transpose in their national legislation. Recital (8) of the Directive specified that: “the grounds for refusal or invalidity concerning [...] conflicts between the trademark and earlier rights, should be listed in an exhaustive manner, even if some of these grounds are listed as an option for the Member States”. However, some of the grounds for refusal or invalidity do not generate any substantial difficulties of interpretation. Taking into consideration their importance for the good application of harmonized trademark law at the level of the EU, this paper will focus on the likelihood of confusion with an earlier trademark (Chapter 1) and on the notion of a trademark with reputation (Section 2).

1. The likelihood of confusion with an earlier trademark

There is a general consensus in jurisprudence³ and theory⁴ that trademark's main function is to guarantee the origin of the product or service, to certify that: “the products covered by the mark originate from the proprietor's establishment”⁵. This function of a trademark is, in many ways, linked with its distinctive character, given that it guarantees “that the product or service in respect of which the trademark is registered, when it is acquired by the consumer, keeps the characteristics it had when the trademark owner has put it on the market [...] this function of the trademark is sufficient to justify the need for its distinctive character”⁶. However, a trademark can fully meet the criteria of distinctiveness – as it was defined by the Directive and the jurisprudence of the Court of Justice of the EU – without being able to represent the guarantee of its origin, since it is identical or similar to an earlier trademark. Some authors also underline that “a distinctive character is not a constant quality”⁷

² In this article, the previous denominations of the CJEU will not be taken into consideration.

³ See, for example, the judgments of the Court of Justice of the EEC of 22 June 1976 in case *Terrapin v Terranova* (119/75), 1049 and of 23 May 1978 in case *Hoffmann-La Roche & Co. v Centrafarm* (102/77), 1145.

⁴ See, for example, L.G. Grigoriadis, *Trade Marks and Free Trade: A Global Analysis*, Springer 2014, p. 150.

⁵ Judgment of the Court of Justice of the EEC of 22 June 1976 in case *Terrapin v Terranova* (119/75), 1049.

⁶ G. Bonet, A. Bouvel, *Distinctivité du signe*, Jurisclasseur Marques, dessins et modèles, Paris 2008, fasc. 7090, 1.

⁷ T.J. Cohen, C. Van Nispen, T. Huydecoper, *European Trademark Law: Community Trademark Law and Harmonized National Trademark Law*, Kluwer Law International, Alphen aan den Rijn 2010, p. 127.

because “a mark may also initially have little or no distinctive character but nevertheless acquire this through use in practice”⁸. Moreover, a trademark can be fully distinctive *in abstracto* (because it meets all the requirements imposed by points (b) to (e) of Article 3, paragraph 1 of the Directive), but *in concreto* the same trademark can be non-distinctive compared to another earlier national or Community⁹ trademark. Therefore, the theoretical concept of the availability of a sign loses much of its autonomy in favour of the distinctiveness: a sign is not available because it is non-distinctive in respect of the trademark that is already validly registered. In other words, a trademark does not satisfy the function of the guarantee of the identity of origin of the product or service not only if it is non-distinctive *in abstracto*, but also if the registration can be refused or declared invalid for one of the following reasons:

“(a) if it is identical with an earlier trademark, and the goods or services for which the trademark is applied or is registered are identical with the goods or services for which the earlier trademark is protected;

(b) if because of its identity with, or similarity to, the earlier trademark and the identity or similarity of the goods or services covered by the trademarks, there exists likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association with the earlier trademark”¹⁰.

Teleological and textual interpretation of this provision leads to the conclusion that in two aforementioned situations the Directive imposes one double and one triple requirement: in point (a) it is the identity of both trademarks and products or services, while point (b) requires that the following three conditions be met: (1) identity or similarity between the trademark application and the registered mark; (2) identity or similarity of the goods or services covered by the trademarks and (3) existence of the likelihood of confusion that includes the likelihood of association with the earlier trademark. It is clear that the requirements of point (a) – identity of both trademarks and products or services for which the earlier trademark is protected – cannot raise major problems of interpretation and enforcement that would be independent of those of point (b). Given the extraordinary completeness and precision of Article 4, paragraph 2 of the Directive, the same conclusion is applicable to the definition of the notion of “earlier trademarks”. On the other hand, the interpretation of point (b) of the first paragraph requires, firstly, the analysis of the context in which the likelihood of confusion can occur (title 1.1) and, secondly, imposes the necessity to propose a definition of the notion of such likelihood (title 1.2).

⁸ *Ibid.*

⁹ Notwithstanding the fact that, according to the Lisbon Treaty (2009), the European Community (EC) has ceased to exist and was replaced by the European Union, the Community Trademark has kept this name.

¹⁰ Article 4, paragraph 1 of the Directive.

1.1. Context of the problem: identity or similarity of trademarks and goods or services

The principle of speciality has for long been recognized as the cornerstone of trademark law: the sign that constitutes a trademark is protected only for the products and services listed in the application for registration. In other words, this rule “allows the scope of protection offered to the trademark to be restricted to certain designated goods or services”¹¹ and it means “that the mark is only distinctive as part of a competitive relationship”¹². Article 4 of the Directive has introduced the principle of speciality in the harmonized EU trademark law; however, the proper application of this principle also requires a harmonized definition of the notions of identity and similarity of the goods or services. In the same vein, the relationship between the trademark application and the earlier mark has also to be clarified, even if it does not concern the principle of speciality *stricto sensu*. The jurisprudence of the CJEU is an ideal starting point for setting up the criteria of identity or similarity. However, to define the scope of application of the two points of Article 4, paragraph 1, it is first necessary to specify the conditions of their application.

For the reason of its identity/similarity with an earlier trademark registered for identical/similar goods or services, an application for trademark registration may be refused – or a trademark that is already registered may be declared invalid – only if the three conditions specified in point (b) of Article 4, paragraph 1 of the Directive are met cumulatively. This requirement clearly follows from the wording of the provision in question. However, the problem of interpretation of the relationship between the requirement of identity or similarity of trademarks and the requirement of identity or similarity of goods or services cannot be solved by relying exclusively on the combined reading of points (a) and (b) of Article 4, paragraph 1 of the Directive and its recital 11. On the one hand, “the protection afforded by the registered trademark, the function of which is in particular to guarantee the trademark as an indication of origin, should be absolute in the case of identity between the mark and the sign and the goods or services”¹³; therefore, one could conclude¹⁴ that, *a contrario*, the protection should be relative in the case of their similarity. On the other hand, given that point (a) requires a double identity (the two trademarks and the products or services), it is clear that point (b) can be applicable in the following three cases:

¹¹ P. Këllezli, B. Kilpatrick, P. Kobel Pierre (ed.), *Antitrust for Small and Middle Size Undertakings and Image Protection from Non-Competitors*, Springer, Heidelberg 2014, p. 340.

¹² *Ibid.*

¹³ Recital 11 of the Directive 2008/95/CE of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trademarks.

¹⁴ Moreover, this conclusion can also be made on the basis of the existence of the third condition (likelihood of confusion) specified in point (b).

(1) a trademark that was applied for and the earlier trademark are identical and the goods/services they cover are similar; (2) a trademark that was applied for and the earlier trademark are similar, while the products/services they cover are identical; or (3) both trademarks and products/services they cover are similar. Consequently, a lesser degree of proximity between the trademarks and/or products or services justifies the requirement of likelihood of confusion as a supplementary condition for the refusal or invalidity of a trademark. In other words, the provision of point (a), applicable only in case of double identity, implicitly includes a rebuttable presumption of the likelihood of confusion¹⁵, while in the case of point (b) the existence of such likelihood must be proven. Therefore, the definition of the notions of identity and similarity of the trademarks and goods or services is crucial for good application of the harmonized EU trademark law – beyond representing the differentiation between the scope of application of points (a) and (b), it is also a precondition for the analysis of the concept of likelihood of confusion.

With regard to the question of identity between the two trademarks, the CJEU considers that “the absolute protection in the case of a sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered, which is guaranteed by Article 5(1)(a) of the Directive, cannot be extended beyond the situations for which it was envisaged”¹⁶ and that, accordingly, “the criterion of identity of the sign and the trade mark must be interpreted strictly”¹⁷, because “the very definition of identity implies that the two elements compared should be the same in all respects”¹⁸. Having thus laid the foundation of its reasoning, the Court introduced the fundamental rule for the interpretation of the notion of identity, stating that “there is identity between the sign and the trademark where the former reproduces, without any modification or addition, all the elements constituting the latter”¹⁹. In order to facilitate the application of this general rule, the Court specified that: “the perception of identity between the sign and the trademark must be assessed globally with respect to an average consumer who is deemed to be reasonably well informed, reasonably observant and circumspect”²⁰. Of course, one can disapprove of the introduction of a relatively vague criterion of “an average consumer”. However, even the most critical observer would admit that the Court’s interpretation of the notion of identity greatly facilitates the application of the

¹⁵ A good example of explicitly defined rebuttable presumption can be found in Article 16, paragraph 1 of the Agreement on Trade-Related Aspects of Intellectual Property Rights: “in case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed”.

¹⁶ Judgment of the Court of Justice of 20 March 2003 in case *LTI Diffusion SA v Sadas Vertbaudet SA* (C-291/00), para50; see note 2.

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ *Ibid.*, para51.

²⁰ *Ibid.*, para52.

EU law by the national courts. Concerning other methods aimed at facilitating the determination of identity, some authors underlined that “the applicant has the dual obligation: to list the products or services for which the protection is demanded and to indicate the reference to the administrative classification”²¹. The reference in question concerns the International Classification of Goods and Services (ICGS) established by the Nice Agreement of 15 June 1957, revised in 1967 and 1977 and amended in 1979; the current edition of the Classification is the tenth, which entered into force on 1 January 2012²². However, even if this reference can be used as an indicator of a possible identity between the goods or services covered by the two trademarks, it is clear that the protection does not necessarily extend to “all the products mentioned in one class, but only for identical products and for products of a similar nature to those to which the application refers”²³. Therefore, the information contained in the application for trademark registration and, to a lesser extent, the reference to the International Classification can provide a sufficient number of criteria to establish the identity of the goods or services. The notion of similarity between the products/services, however, still remains quite obscure. Once again, the CJEU’s interpretation of the harmonized EU trademark law brings in some crucial elements: “in assessing the similarity of the goods or services concerned [...] all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary”²⁴. On the basis of these general standards, the national authorities can apply the provisions of the Directive in their decisions.

1.2. Content of the problem: likelihood of confusion

The fundamental function of a trademark – to guarantee the origin of the product or service – is inseparable from the perception of consumers. In other words, “what goes on in consumers’ minds is crucial to both the creation of trademarks, and, in the infringement context, to the scope of trademark rights”²⁵. Therefore, the need for a harmonized application of point (b) of Article 4, paragraph 1 of the Directive requires an interpretation that would be universally applicable for all EU Member States. The analysis of the context in which the existence of likelihood of confusion can occur must be accompanied

²¹ J. Azéma, J.-C. Galloux, *Droit de la propriété industrielle*, Dalloz, Paris 2006, p. 794.

²² Website of the World Intellectual Property Organization, WIPO-Administered Treaties http://www.wipo.int/treaties/en/classification/nice/summary_nice.html (13.11.2014).

²³ S. Durrande, *Disponibilité des signes*, Jurisclasseur Marques, dessins et modèles, Paris 2004, fasc. 7110, 4.

²⁴ Judgment of the Court of Justice of 29 September 1998 in case *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer SA* (C-39/97), para23; see note 2.

²⁵ G.B. Dinwoodie, M.D. Janis, *op. cit.*, pp. 374–375.

by a harmonized definition of this concept. Given that, on the one hand, the likelihood of confusion “should constitute the specific condition”²⁶ for the protection afforded by the registered trademark and that, on the other hand, its appreciation “depends on numerous elements”²⁷, it is necessary to rely on the criteria set by the CJEU. However, the text of the Directive includes some basic elements that can serve as a starting point for further interpretation. Recital 11 of the Directive stresses that: “it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion”. This requirement is transformed into the provision of Article 4, paragraph 1, point (b), laying down that this likelihood also “includes the likelihood of association with the earlier trademark”. Finally, recital 11 introduces an indicative list of factors that must be taken into consideration in determining the existence of likelihood of confusion, which shall include “the recognition of the trademark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trademark and the sign and between the goods or services identified”. These provisions represent the global normative framework laid down by the EU legislature, but its effective application needed a further interpretation by the Court.

In the interpretation of the rules of the harmonized EU trademark law, the CJEU founded its reasoning on the function of the trademark, given that “there is a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive where the public can be mistaken as to the origin of the goods or services in question”²⁸. In these circumstances, an additional clarification is necessary in relation to two elements. Firstly, the reference to the public is just one way to indicate all the individuals meeting the criterion of an “average consumer”, who is supposed to be “reasonably well informed, reasonably observant and circumspect”²⁹. Secondly, the public can be mistaken if there is a risk that it “might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically linked undertakings”³⁰. This assessment should always be comprehensive, since “it is not sufficient to show simply that there is no likelihood of the public being confused as to the place of production of the goods or services”³¹. Therefore, in order to identify the general principles of the global assessment of the likelihood of confusion, it is first necessary to examine the scope of the provision of the Directive on the likelihood of association; then the problem of assessing such likelihood in the case of similarity between the trademarks should be analysed. In order to

²⁶ Recital 11 of Directive 2008/95/CE.

²⁷ *Ibid.*

²⁸ CJEC, judgment in case *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer SA*, *supra*, para26.

²⁹ CJEC, judgment in case *LTI Diffusion SA v Sadas Vertbaudet SA*, *supra*, para52.

³⁰ CJEC, judgment in case *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer SA*, *supra*, para29.

³¹ *Ibid.*

declare a trademark invalid because of the conflict with an earlier trademark, point (b) of Article 4, paragraph 1 requires that the likelihood of confusion “include the likelihood of association”. Should this provision be interpreted as a double requirement? In the absence of likelihood of association, is it possible to prove the existence of likelihood of confusion? A purely logical and textual analysis of the wording of the Directive may suggest a negative answer to the second question. However, the judicial intervention of the CJEU relativized the importance of the risk of association, since this concept “is not an alternative to that of likelihood of confusion, but serves to define its scope”³² and given that “the terms of the provision itself exclude its application where there is no likelihood of confusion on the part of the public”³³. This reasoning of the Court leads to the conclusion that “the mere association which the public might make between two trademarks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion”³⁴. By this series of precisions, the CJEU clearly delimited the scope of the provision of the Directive on the likelihood of association.

The problem of assessing the likelihood of confusion is both theoretical and practical. In this context, as M. Partridge remarked, “the use of confusingly similar marks for related goods or services may be sufficient to create a likelihood of confusion”³⁵. In other words, the context in which this likelihood may occur cannot remain without influence on the method of its assessment. Therefore, it must involve “some interdependence between the relevant factors, and in particular a similarity between the trademarks and between these goods or services”³⁶. More precisely, “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*”³⁷. This reasoning of the CJEU may lead to the conclusion that the identity or similarity between the trademarks and the goods/services represent only a “factor” for assessing the likelihood of confusion. However, in its judgment in case *Vedial SA v OHIM*, the Court did not miss the opportunity to reaffirm that “those conditions are cumulative”³⁸. The assessment of the likelihood of confusion requires an objective approach, which takes into account all the conditions that must be met for a trademark to be declared invalid under point (b) of Article 4,

³² Judgment of the Court of Justice of 11 November 1997 in case *SABEL BV v Puma AG Rudolf Dassler Sport* (C-251/95), para18; see note 2.

³³ *Ibid.*

³⁴ *Ibid.*, para26.

³⁵ M. Partridge, *Collected articles on copyright, trademarks and the Internet*, iUniverse Inc. Lincoln 2003, p. 44.

³⁶ CJEC, judgment in case *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer SA*, *supra*, para17.

³⁷ *Ibid.*

³⁸ Judgment of the Court of Justice of 12 October 2004 in case *Vedial SA v OHIM* (C-106/03 P), para51; see note 2.

paragraph 1. With regard to the “visual, aural or conceptual similarity”³⁹ of the trademarks, “the global assessment of the likelihood of confusion must [...] be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components”⁴⁰, because “the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details”⁴¹. In the same vein, the Court added that “the more distinctive the earlier mark, the greater will be the likelihood of confusion”⁴² and that it is “not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public”⁴³. In the context of Article 4 of the Directive, the mention of “distinctive components” and of “distinctive character” is of utmost importance. By going beyond the normative framework set by the Directive, the Court requires a systemic approach to the harmonized EU trademark law and proves the importance of its jurisprudence. Moreover, the Court’s reasoning confirms the organic link between the notions of distinctiveness and availability of the trademark.

2. Trademark with a reputation

The principle of speciality is one of the crucial notions of national trademark laws, even if, at times, its rigidity “has hampered the extension of protection to non-competing goods and services in some countries”⁴⁴. The European Union’s harmonized trademark law represents a set of rules, the majority of which are mandatory in its entirety for all Member States. It is also the case with Article 4, paragraph 1 of the Directive, which harmonizes the grounds for invalidity in case of conflict with an earlier trademark; this provision represents a full recognition of the principle of speciality. However, the reputation enjoyed by certain trademarks, because of, for example, long-term presence in the market or substantial geographic extent, may produce an effect beyond the class (in terms of ICGS) for which they are registered. By introducing the concept of a trademark with a reputation, the EU legislation has provided, under certain conditions, the protection of a trademark for goods or services that are not similar to those for which it was initially registered. This approach represents a partial exception to

³⁹ Order of the Court of Justice of 28 April 2004 in case *Matratzen Concord GmbH v OHIM* (C-3/03 P), para29; see note 2.

⁴⁰ *Ibid.*

⁴¹ CJEC, judgment in case *SABEL BV v Puma AG Rudolf Dassler Sport*, *supra*, para23.

⁴² *Ibid.*, para24.

⁴³ *Ibid.*

⁴⁴ P.K. Yu (ed.), *Intellectual Property and Information Wealth – Issues and Practices in the Digital Age, Volume three, Trademark and Unfair Competition*, Praeger Publishers, Westport 2007, p. 272.

the principle of speciality and proves the considerable influence of international law and legal doctrine on the harmonized EU trademark law. Among the provisions of the Directive that are mandatory in their entirety, only Article 4, paragraph 3, concerns a trademark with a reputation and covers exclusively the earlier Community trademarks⁴⁵. In addition, under Article 4, paragraph 4 (a) of the Directive, Member States can provide the invalidity of a trademark because of its conflict with an earlier national trademark with a reputation; however, this invalidity, unlike it is the case for earlier Community trademarks, may also be partial, given that the first sentence of this paragraph provides that a trademark can be "liable to be declared invalid where, and to the extent that". Finally, another optional provision of the Directive (Article 5, paragraph 2) related to the rights conferred by a trademark, repeats, *mutatis mutandis*, the wording of Article 4, paragraph 3. These provisions include two basic elements: on the one hand, the requirement (devoid of any additional information) that the earlier mark "has a reputation"; on the one hand, the need to demonstrate that the "use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark"⁴⁶. Since the condition of identity or similarity between the later and the earlier trademark is part of the problem related to the misuse⁴⁷, the study of the harmonized EU trademark law firstly requires the analysis of the notion of repute of the earlier trademark (title 2.1) before focusing on the risk of improper use of the later trademark (title 2.2).

2.1. Notion of repute of the earlier trademark

There is a consensus in the doctrine that if the notion of repute "is not defined with sufficient precision, there is a risk that the injustice or unfairness in taking advantage will not be defined properly"⁴⁸. The international conventions in the field of trademark law, as well as the legal doctrine, have developed various concepts – more or less similar to that introduced by the Directive – of a trademark with a reputation. For example, Article 6 *bis* of the Paris Convention for the Protection of Industrial Property (1883) lays down the rules that are the permission "to refuse or to cancel the registration, and to prohibit the use, of

⁴⁵ See note 9.

⁴⁶ Article 5, paragraph 2 of Directive 2008/95/CE.

⁴⁷ This conclusion is based on the reasoning of the CJEU, given that the misuse of the later trademark is not imaginable in the absence of "a degree of similarity between the mark with a reputation and the sign", while "it is sufficient for the degree of similarity between the mark with a reputation and the sign to have the effect that the relevant section of the public establishes a link between the sign and the mark", judgment of the Court of Justice of 23 October 2003 in case *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd.* (C-408/01), para31; see note 2.

⁴⁸ W. Sakulin, *Trademark Protection and Freedom of Expression – An Inquiry into the Conflict between Trademark Rights and Freedom of Expression under European Law*, Kluwer Law International, Alphen aan den Rijn 2011, p. 92.

a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or the use to be *well-known* in that country”. Despite its limitations, this provision was the starting point for another concept – that of a famous trademark, which is “close to the concept of a well-known trademark, but comprises an even greater reputation and introduces an additional degree of knowledge (...) sometimes defined as a trademark with an intrinsic power of attraction”⁴⁹. On the other hand, the Agreement on Trade-Related Aspects of Intellectual Property Rights – whose definition of the well-known trademark (Article 16, paragraph 2) is based on the reference to the Paris Convention – is much closer to the provisions of the Directive. Nevertheless, it is clear that none of these international agreements provides additional details on the criteria of notoriety or fame of a trademark.

The rules of the harmonized EU trademark law related to the protection of trademarks with a reputation are not based on the requirement of likelihood of confusion. Even if this observation seems to be the logical consequence of the principle that a trademark which has a reputation is protected for goods or services which are not similar to those for which it was registered (specificity named “extended protection”⁵⁰ by the Directive), the CJEU did not fail to stress this quality: “unlike Article 5(1)(b) of the Directive, which is designed to apply only if there exists a likelihood of confusion on the part of the public, Article 5(2) of the Directive establishes, for the benefit of trademarks with a reputation, a form of protection whose implementation does not require the existence of such a likelihood”⁵¹. In addition, the difference in the scope of protection between trademarks with a reputation and other earlier trademarks is justified by the intention of the EU legislation to allow the Member States to grant “at their option extensive protection to those trademarks which have a reputation”⁵². This specific status can only increase the need for a judicial interpretation of the criteria for such an extended protection. Moreover, the concept of a trademark with a reputation “implies a certain degree of knowledge of the earlier trademark among the public”⁵³. Therefore, finding the proper definitions of (1) the extent of this knowledge and (2) the nature of the public amongst which this knowledge exists are crucial for the effective application of the harmonized EU trademark law. Concerning the first definition, the CJEU specified that “the degree of knowledge required must be considered to be reached when the earlier mark

⁴⁹ J. Azéma, J.-C. Galloux, *op. cit.*, p. 797.

⁵⁰ *Ibid.*

⁵¹ CJEC, judgment in case *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd.*, *supra*, para27.

⁵² Recital 10 of Directive 2008/95/CE.

⁵³ Judgment of the Court of Justice of 14 September 1999 in case *General Motors Corporation v Yplon SA* (C-375/97), para23; see note 2.

is known by a significant part of the public concerned by the products or services covered by that trademark"⁵⁴. Consequently, the degree of knowledge of a potentially reputed trademark depends on the part of the public, which has to be significant, while the public itself should be concerned by the products or services. It is first necessary to examine the second condition, given that the size of a non-relevant public represents no interest for the establishment of the degree of knowledge.

The public concerned by the products or services covered by an earlier potentially reputed trademark may be "either the public at large or a more specialized public, for example traders in a specific sector"⁵⁵. In order to define these two kinds of the public, one must refer to the characteristics of the product or service being marketed; therefore, the Court's reasoning leaves an important place for interpretation by the national courts. One part of the doctrine considers that "the public to consider is not the public at large"⁵⁶, while, on the contrary, some authors point out that "the public at large is sometimes necessary for the reputation of luxury trademarks"⁵⁷, whose owners started to make "clever and intense use of all communications media, including the Internet"⁵⁸. Whichever of these two positions is considered to be more appropriate for the national trademarks, it is obvious that the reputation of a Community trademark⁵⁹ must be assessed with reference to the EU as a whole. Concerning the condition related to the "significant part of the public", the CJEU estimated that the national courts "must take into consideration all the relevant facts of the case, in particular the market share held by the trademark, the intensity, geographical extent and duration of its use and the size of the investment made by the undertaking in promoting it"⁶⁰. However, this non-exhaustive list of relevant factors does not include the numerical expression of the proportion of the public (a solution known in German law⁶¹), because "it cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined"⁶². Finally, with regard to the geographical scope of the trademark, the provisions of the Directive specified whether to take into account the EU level (for the Community trademark, Article 4, paragraph 3) or the national level ("reputation in the

⁵⁴ *Ibid.*, para26.

⁵⁵ *Ibid.*, para24.

⁵⁶ J. Azéma, J.-C. Galloux, *op. cit.*, p. 797.

⁵⁷ V. Tharreau, *Le grand public et les marques de luxe – une relation singulière*, Cabinet Pigeon-Bormans, Paris 2002, p. 3.

⁵⁸ *Ibid.*

⁵⁹ See note 9.

⁶⁰ CJEC, judgment in case *General Motors Corporation v Yplon SA*, *supra*, para27.

⁶¹ J. Pagenberg, *La détermination de la 'renommée' des marques devant les instances nationales et européennes*, Mélanges offerts à J.-J. Burst, Litec, Paris 1997, p. 409.

⁶² CJEC, judgment in case *General Motors Corporation v Yplon SA*, *supra*, para25.

Member State” for a national trademark, Article 4, paragraph 4). Regarding the national level, the CJEU indicated that “in the absence of any definition of the Community provision in this respect, a trademark cannot be required to have a reputation ‘throughout’ the territory of the Member State”⁶³ and that, therefore, “it is sufficient for it to exist in a substantial part of it”⁶⁴. Even if this precision brought by the Court facilitates the implementation of the Directive, the interpretation of the notion of “substantial” part of the territory may still vary in different Member States.

2.2. Risk of improper use of the later trademark

The crucial characteristics of the notion of a trademark’s repute are that it represents “the positive image and the positive qualities”⁶⁵ indicated by it. However, even if all the conditions – as introduced by the Directive and interpreted by the CJEU – related to the repute of a trademark are met, the wider protection granted by such a mark remains subject to the second condition, given that, as the CJEU indicated, “the earlier trademark must be detrimentally affected without due cause”⁶⁶. On the other hand, it is clear from the wording and the purpose of the Directive that the only risk of infringement is sufficient for this condition to be fulfilled. Consequently, the further study needs to answer the question related to the meaning of an infringement of (or a detrimental impact on) the earlier trademark. In this respect, the Directive provides for two alternative conditions: “use of (the) sign without due cause”⁶⁷ may, on the one hand, take “unfair advantage (...) to the distinctive character or the repute of the trademark”⁶⁸. On the other hand, this use can be “detrimental” to the distinctive character or the repute of the same trademark. Concerning both situations, the CJEU underlined that “Article 5(2) applies to situations in which *the specific condition of the protection* consists of a use of the sign in question without due cause”⁶⁹. In other words, the detrimental impact on the earlier trademark is constituted by this use and, therefore, implies the need to clarify two points: (1) the question of identity or similarity between the two trademarks and (2) the question of the goods or services for which they may be used.

⁶³ *Ibid.*, para28.

⁶⁴ *Ibid.*

⁶⁵ W. Sakulin, *op. cit.*, p. 93.

⁶⁶ CJEC, judgment in case *General Motors Corporation v Yplon SA*, *supra*, para30.

⁶⁷ Article 5, paragraph 2 of the Directive 2008/95/CE.

⁶⁸ *Ibid.*

⁶⁹ CJEC, judgment in case *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd.*, *supra*, para27.

The provisions of the Directive do not impose the requirement that the later trademark is “identical with or similar to”⁷⁰ an earlier trademark⁷¹ with a reputation. Nevertheless, the CJEU has given a valuable interpretation concerning the infringements of it by pointing out that they “are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them”⁷². Although the “connection” mentioned in this judgment – as it was already concluded in title 2.1. of this article – does not require the existence of likelihood of confusion, it can be proved by the same means and must “be appreciated globally, taking into account all factors relevant to the circumstances of the case”⁷³. With regard to the question of to the goods or services covered by the two trademarks, the specificity of the legal status of a trademark with a reputation lies in the fact that such a trademark is protected for goods or services that are not similar to those for which it was originally registered. However, the risk of divergences in the application of the EU law and the doubts raised by the national courts have pushed the CJEU to clarify certain points about it. The protection of a trademark with a reputation cannot “lead to marks with a reputation having less protection where a sign is used for identical or similar goods or services than where a sign is used for non-similar goods or services”⁷⁴. On the other hand, the protection may be greater, given that “Articles 4(4)(a) and 5(2) of the Directive are to be interpreted as entitling the Member States to provide specific protection for registered trademarks with a reputation in cases where a later mark or sign, which is identical with or similar to the registered mark, is intended to be used or is used for goods or services identical with or similar to those covered by the registered mark”⁷⁵. Therefore, when a Member State has transposed the optional provisions of the Directive relating to the trademarks with a reputation, it is free to provide specific protection in the event of such an identity or similarity. In any case, the risk of improper use represents the specific condition of the protection of a trademark with a reputation in the harmonized EU trademark law.

⁷⁰ Article 5, paragraph 2 (in relation to the rights conferred by a trademark), but also Article 4, paragraphs 2, 3 and 4 of the Directive 2008/95/CE.

⁷¹ Strictly speaking, the identity or similarity may exist between the later sign and the earlier trademark. However, the considerations of style and the need for better legibility imposed the terminological simplification leading to the mention of the two trademarks.

⁷² CJEC, judgment in case *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd.*, *supra*, para29.

⁷³ *Ibid.*, para30.

⁷⁴ Judgment of the Court of Justice of 9 January 2003 in case *Davidoff & Cie SA, Zino Davidoff SA v Gofkid Ltd.* (C-292/00), para25; see note 2.

⁷⁵ *Ibid.*, para30.

Conclusion

The harmonization of national trademark laws in the European Union, partially elaborated by the secondary legislation and complemented by its judicial interpretation, can be globally defined as a consequence of an incomplete functional approximation of national laws. The harmonization was incomplete because it was limited only to those of national legal provisions that most directly affected the functioning of the internal market. On the other hand, the approximation of national laws was functional, given that its main objectives were to facilitate the free movement of goods and the freedom to provide services, as well as to improve the conditions of competition. In 2008, upon the adoption of the codified version of Directive 89/104/EEC, the EU's legislature is indirectly praised for having achieved this objective by stating, in its second recital, that "the trademark laws applicable in the Member States before the entry into force of Directive 89/104/EEC contained disparities which may have impeded the free movement of goods and freedom to provide services and may have distorted competition within the common market". The use of past tense clearly shows that the objective of harmonization, as defined in 1988, is considered to be achieved twenty years later. However, even if some of the grounds for refusal or invalidity of a national trademark haven't generated any substantial difficulties of interpretation, the problem of the likelihood of confusion with an earlier trademark and the notion of a trademark with a reputation often necessitated a substantial interpretation by the Court of Justice of the European Union. Consequently, it was only the introduction of a Community trademark that could lead to progressive framing of a unified European trademark protection system.

NOTIONS OF 'LIKELIHOOD OF CONFUSION' AND OF 'TRADEMARK WITH A REPUTATION' IN THE HARMONIZED EU TRADEMARK LAW

Summary

The main reason for the first intervention of the EU law in the field of trademark law was to limit, as much as possible, the negative consequences of the disparities in the national legislations, which might affect the freedom of movement and the free competition in the Union's internal market. Therefore, the general conditions for the registration of a national trademark are harmonized at the level of the EU by Directive 89/104/EEC, repealed by Directive 2008/95/EC. However, the registration of a sign as a national trademark may be refused or declared invalid if it conflicts with a prior right. Interpretation of the provisions of the Directive related to the grounds for refusal or invalidity concerning conflicts with earlier rights is very

important for the effective application of the harmonized EU trademark law. This article focuses on two crucial issues: the likelihood of confusion with an earlier trademark (chapter 1) and the notion of a trademark with reputation (section 2).

POJĘCIA „PRAWDOPODOBIENSTWA POMYLENIA” Z INNYM ORAZ „ZNAKU TOWAROWEGO Z RENOMĄ” W ZHARMONIZOWANYM PRAWIE UNII EUROPEJSKIEJ W ZAKRESIE ZNAKÓW TOWAROWYCH

Streszczenie

Głównym powodem pierwszej interwencji prawa Unii Europejskiej w dziedzinę przepisów dotyczących znaków towarowych było jak największe ograniczenie negatywnych skutków rozbieżności przepisów prawa krajowego, mogących mieć wpływ na swobodę przepływu towarów i usług oraz wolnej konkurencji na wewnętrznym rynku Unii Europejskiej. W związku z tym, ogólne warunki rejestracji krajowych znaków towarowych na szczeblu Unii Europejskiej zharmonizowane zostały poprzez dyrektywę 89/104/EWG, uchyloną dyrektywą 2008/95/WE. Jednakże rejestracja symbolu znaku towarowego może spotkać się z odmową lub zostać unieważniona, jeśli jest w kolizji z wcześniejszym znakiem. Interpretacja postanowień dyrektywy dotyczących podstaw odmowy bądź unieważnienia rejestracji ze względu na kolizję z wcześniejszymi prawami jest niezwykle ważna dla skutecznego stosowania zharmonizowanego prawa unijnego w zakresie znaków towarowych. Artykuł niniejszy koncentruje się na dwóch najważniejszych zagadnieniach: prawdopodobieństwie pomylenia z wcześniejszym znakiem towarowym (Rozdział 1) oraz pojęciu znaku towarowego z renomą (Część 2).

LES NOTIONS DE ‘PROBABILITÉ DE SE TROMPER’ AINSI QUE ‘LE LOGO RENOMMÉ DE MARCHANDISE’ DANS LE DROIT UNIFIÉ DE L’UNION EUROPÉENNE CONCERNANT DES LOGOS DE MARCHANDISES

Résumé

La première raison d’intervention du droit de l’Union européenne dans le domaine des règlements concernant les signes de marchandises était la plus grande limitation des effets négatifs causée par les divergences des règlements du droit national qui pourraient influencer à la liberté d’échange des marchandises et services ainsi que de la compétitivité au marché intérieur de l’Union européenne. Suite à cette prudence,

les conditions générales d'enregistrer les signes des marchandises nationaux à l'échelle de l'Union européenne ont été harmonisées par la directive 89/104/EWG, dérogée par la directive 2008/95/WE. Toutefois, l'enregistrement de l'emblème du signe de marchandise peut être renoncé ou même rendu invalide s'il est en collision avec le signe antérieur. L'interprétation des règlements de la directive concernant les raisons de renoncer ou invalider l'enregistrement vu la collision des droits antérieurs est pourtant très importante pour l'application efficace du droit harmonisé de l'Union dans le cadre des signes de marchandises. L'article présent se concentre sur les deux aspects les plus importants : celui de la probabilité de se tromper avec un autre signe antérieur (Chapitre 1) ainsi que celui de la notion du signe de marchandise avec sa renommé (Partie 2).

ПОНЯТИЯ «ВЕРОЯТНОСТИ ОШИБОЧНОГО ПРИНЯТИЯ» ЗА ДРУГОЕ, А ТАКЖЕ «ТОВАРНОГО ЗНАКА ЗА РЕНОМЕ» В СОГЛАСОВАННОМ ПРАВЕ ЕВРОПЕЙСКОГО СОЮЗА В ОБЛАСТИ ТОВАРНЫХ ЗНАКОВ

Резюме

Основной причиной первого вмешательства права Европейского Союза в сферу положений, касающихся товарных знаков, было как можно большее ограничение негативных последствий расхождений в положениях внутригосударственного права, которые могут повлиять на свободу передвижения товаров и услуг, а также свободную конкуренцию на внутреннем рынке Европейского Союза. В связи с этим, общие условия регистрации внутригосударственных товарных знаков на уровне Европейского Союза были согласованы на основе директивы 89/104/EWG, в свою очередь упразднённой директивой 2008/95/WE. Однако регистрация символа товарного знака может быть отклонена либо аннулирована, если находится в несоответствии с прежним знаком. Толкование постановлений директивы, касающихся оснований для отклонения либо аннулирования регистрации из-за несоответствия прежним законам, чрезвычайно важна для эффективного применения согласованного европейского права в области товарных знаков. Настоящая статья сконцентрирована на двух важнейших проблемах: вероятность путаницы из-за прежнего товарного знака (Раздел 1), а также ошибочного принятия понятия товарного знака за реноме. (Часть 2).