ECJ constitutes the principle of conceptual differences

The PICASSO/PICARO case marks the first time the ECJ has considered the legality of the principle that conceptual differences between trade marks can counteract their visual and phonetic similarities, where one of them has a clear and specific meaning capable of being grasped immediately by the relevant public. The Court concurred with the CFI that this principle is indeed an important part of the process of making a global assessment of “likelihood of confusion” between marks, as required by Article 8 (1)(b) of the Community Trade Mark Regulation No 40/94. The ECJ referred to this decision in the SIR/ZIRH case and found that conceptual and visual differences could counteract aural similarities when globally assessing the requirement of likelihood of confusion.

Distinctiveness of 2-D and 3-D trade marks

The ECJ held in its Deutsche SiSi-Werke v OHIM decision that it was legitimate for the CFI to consider, in its assessment of distinctive character, types of packaging used in the European market for liquids for human consumption in general. Further, the requirements imposed by the CFI in relation to the shape of the marks applied for were not too stringent. The ECJ found that the CFI had given sufficient reasons and set out at length why the trade marks applied for were devoid of distinctive character within the meaning of Art. 7(1) (b) of the regulation.

In the Storck case, dealing with the distinctiveness of a certain candy shape, the ECJ argued: the relevant public’s perception is not necessarily the same in the case of a 3-D mark which consists of the appearance of the product itself, as it is in the case of a word or figurative mark...
which consists of a sign unrelated to the product it denotes. Therefore, although the criteria for assessing the distinctive character of a 3-D mark consisting of the appearance of the product is no different than for other types of trade marks, average consumers do not make assumptions about the origin of the products on the basis of their shapes and therefore it could prove more difficult to establish distinctiveness for such a 3-D mark.

**Storck** also - once again unsuccessfully - applied to register a figurative mark consisting of a 2-D representation of a sweet in a gold-coloured wrapper with twisted ends. The ECJ held that case law on inherent distinctiveness which was developed in relation to 3-D trade marks consisting of the appearance of the product applied equally to figurative trade marks consisting of the 2-D representative of that product. Finally, the ECJ held that the mark is devoid of any distinctive character because it does not depart significantly from the norm or customs.

**Trade marks having a descriptive character in the language of other Member States**

The Audiencia Provincial de Barcelona asked the ECJ whether Articles 28 EC and 30 EC (free movement of goods) should be interpreted as meaning that they preclude the registration in a Member State, as a national trade mark, of a term borrowed from the language of another Member State in which it is devoid of distinctive character or descriptive of the goods or services in respect of which registration is sought. The ECJ held that Article 3(1)(b) and (c) of the Trade Mark Directive does not preclude such registration in a Member State, unless the relevant parties in the Member State in which registration is sought are capable of identifying the meaning of the term. **Hukla** owned the national word mark “MATRATZEN” in Spain. This term means “mattresses” in German and therefore the German company *Matratzen Concord AG* brought – unsuccessfully – an action for cancellation of the Spanish mark.

**Territorial and linguistic aspects of distinctiveness**

In its reference for a preliminary ruling with regard to the sign EUROPOLIS, the Dutch Regional Court of Appeal (CoA) first asked which territory must be taken into account in order to assess acquired distinctiveness in a Member State or group of Member States having common trade mark legislation (e.g. Benelux). The ECJ held that in assessing acquired distinctiveness, the only relevant situation is that prevailing in the Member State or, in the case of the Benelux territory, the part thereof where the ground for refusal existed. The CoA also sought guidance on the extent the linguistic areas in a Member State/Benelux territory must be taken into account when assessing acquired distinctiveness through use when the sign consists of one or more words of an official language of a Member State/Benelux territory. The ECJ held that if the ground for refusal exists, it is necessary to show that the mark has acquired distinctive character throughout the linguistic area. It then falls to be assessed whether the relevant public (or significant portion thereof) within that linguistic area identifies the product or service as originating from a particular undertaking because of the trade mark.

**Deceptive marks**
In its preliminary ruling concerning the trade mark ELIZABETH EMANUEL the ECJ held that, although the public interest underlying Article 3(1)(g), namely consumer protection, raised the issues of whether the average consumer would be confused, especially where the person to whose name the mark corresponded originally personified the goods bearing that mark, Article 3(1)(g) required more. It presupposed the existence of actual deceit or a sufficiently serious risk that the consumer would be deceived. The same analysis applied to Article 12(2)(b). Although such matters were for the national court to decide, the ECJ stated that, in this case, even if the average consumer were to be influenced into buying garments sold under the mark ELIZABETH EMANUEL by imagining that Elizabeth Emanuel designed them, the characteristics and the qualities of those garments would remain guaranteed by the trade mark owner. Consequently, the name ELIZABETH EMANUEL was not in itself deceptive as to the origin of the goods.

**Time to be considered for assessing trade mark’s scope of protection**

The ECJ held in the *Levi Strauss* case that, in order to ensure the essential function of a trade mark as a guarantee of origin, the proprietor had to be protected against competitors wishing to take unfair advantage of the trade mark by selling products bearing that mark, or a confusingly similar mark, where there was a likelihood of confusion between them. If the likelihood of confusion were assessed at a time after the sign in question began to be used, the user of that sign might take undue advantage of his own unlawful behaviour by alleging that the product had become less renowned, a matter for which he himself was at least partly responsible. As long as the proprietor’s action or inaction had not contributed to the loss of a mark’s distinctive character, the proprietor should continue to enjoy the protection conferred by Article 5 of the Trade Mark Directive. Article 5(1) must therefore be interpreted as meaning that, in order to determine the scope of protection of a trade mark, the national court must take into account the perception of the public concerned at the time when the sign, the use of which infringes that trade mark, began to be used. Where there is infringement, it is for the national court to impose such measures as it sees fit. However, it would not be appropriate to order cessation of the use of the sign if it has been established that the trade mark has lost its distinctive character, in consequence of acts or inactivity of the proprietor, so that it has become a common name within the meaning of Article 12(2), and the trade mark has therefore been revoked as a result.

**Requirements for genuine use**

In *Sunrider Corp. v. OHIM*, the ECJ dismissed the appeal from the CFI. The CFI had held that the earlier mark had been put to genuine use within the meaning of Art. 43 and that the products covered by the marks were similar within the meaning of Art. 8(1) (b) of the Regulation. The ECJ agreed and further held that even minimal use of the mark (here sales between May 1996 – May 1997 to a single customer in Spain amounting to no more the EUR
4,800, corresponding to 293 cases of 12 units of soft drinks each) was sufficient to establish genuine use when it served a commercial purpose.

**ECJ's scope of examination in appeal proceedings**

The ECJ dismissed the appeal from the decision of the CFI in the ROSSI case and held that there was no likelihood of confusion between the marks in question under Art 8(1) (b). The ECJ stated that it was for the CFI to make an assessment of the facts of a case and to assess the value to be attached to the evidence adduced before it. In this case the ECJ was satisfied that the CFI had made an overall assessment of the similarity of the goods and marks in question and the likelihood of confusion, taking into consideration all the relevant factors of the case, and had provided sufficient reasons for its findings. In the absence of any distortion of the facts or evidence, the ECJ would not substitute its own assessment for the CFI's assessment.

**Transit of goods as an infringing use**

In *Montex v Diesel* The question was whether a trade mark confers on its proprietor the right to prohibit the transit of goods manufactured in a third country, and bearing a sign that is identical with its trade mark through a territory of an EU Member State in which that trademark enjoys protection, whereas the sign is not protected in the state of destination. The ECJ did not follow the argument that the mere risk that the goods could fail to reach their destination and could be fraudulently marketed in an EU Member State constituted an infringing use.