



OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET
(TRADE MARKS AND DESIGNS)
International Cooperation and Legal Affairs Department

Principles of the common practice

Convergence Programme – CP 5.

Relative Grounds – Likelihood of Confusion

Version 6.0– 7 March 2014

Project/Service	CONVERGENCE PROGRAMME		
Status			
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1. PROGRAMME BACKGROUND

Despite the growth in world-wide trade mark and design activity in recent years, efforts to achieve convergence in the way offices around the world operate have only yielded modest results. Within Europe there is still a long way to go to iron out the inconsistencies among the EU IP offices. The OHIM Strategic Plan identifies this as one of the main challenges to address.

With this in mind the Convergence Programme was established in June 2011. It reflects the shared determination of national offices, the OHIM and users, to move towards a new era among EU IP offices with the progressive creation of a European interoperable and collaborative network contributing to a stronger IP environment in Europe.

The vision of this Programme is ***“To establish and communicate clarity, legal certainty, quality and usability for both applicant and office.”*** This goal will be achieved by working together to harmonise practices and will bring considerable benefits to both users and IP Offices.

In the first wave the following five projects were launched under the umbrella of the Convergence Programme:

- **CP 1. Harmonisation of Classification**
- **CP 2. Convergence of Class Headings**
- **CP 3. Absolute Grounds – Figurative Marks**
- **CP 4. Scope of Protection of B&W Marks**
- **CP 5. Relative Grounds – Likelihood of Confusion**

This document focuses on the common practice of the fifth project: CP 5. Relative Grounds – Likelihood of Confusion

2. PROJECT BACKGROUND

At the time of initiation of the project, there was a division among OHIM, BOIP and the national offices regarding the different interpretations on the assessment and consequences

of dealing with non-distinctive/weak components of trade marks in the examination of relative grounds for refusal (likelihood of confusion).

In particular there were different practices and interpretations regarding what importance, if any, should be attached to the fact that an earlier and later trade mark, covering identical goods and/or services, coincide in a component that has no (or low) distinctiveness. These different practices and interpretations led to different outcomes when assessing likelihood of confusion even though the facts of the case were the same (the marks and the relevant goods and services at issue).

Such differences led to unpredictability and legal uncertainty in the examination of relative grounds. Consequently, the offices saw the need for harmonisation and considered that a common practice would be beneficial for the users and for themselves.

The aim of this project is to **converge the approach regarding the impact of non-distinctive/weak components of the marks at issue, which has to be taken into account for the assessment of likelihood of confusion.**

There are four key deliverables in this project each of which addresses a different issue:

- 1) A **common practice including a common approach** to be set out in a document and translated into all EU languages.
- 2) A common **communication strategy** for this practice.
- 3) An **action plan to implement** the common practice.
- 4) An analysis of the needs to address the **past practice**.

These project deliverables are created and agreed upon by the national offices and OHIM taking into consideration the comments of the user associations.

The present document is the first of the four deliverables

The first working group meeting took place in February 2012 in Alicante to determine the general lines of action, the project scope and the project methodology. Subsequent meetings were held in October 2012, June 2013 and October 2013 during which the objectives of the project were thoroughly discussed by the Work Package Group, and agreement on the principles for the common practice was reached. Also, several presentations on the project were given during the Liaison meeting and the ABBC meeting.

3. OBJECTIVE OF THIS DOCUMENT

This document will be the reference for IP offices, user associations, applicants, opponents and representatives on the common practice as regards non-distinctive/weak components of trade marks for the purpose of assessing likelihood of confusion, assuming that the goods and/or services are identical. It will be made widely available and will be easily accessible, providing a **clear and comprehensive explanation of the principles on which the common practice will be based**. These principles will be generally applied, and are aimed at covering the large majority of cases. Since likelihood of confusion must be assessed on a case-by-case basis, the common principles serve as guidance in order to ensure that different offices come to a similar, predictable conclusion when the same marks and grounds are involved.

4. THE PROJECT SCOPE

The **scope** of the project reads:

*“This project will converge the practice regarding **non-distinctive/weak components of trade marks** for the purpose of **assessing likelihood of confusion (LOC)**, assuming that the **goods and/or services are identical**. In particular it will:*

- *Define **what marks are subject to assessment of distinctiveness**: the earlier mark (and/or parts thereof) and/or the later mark (and/or parts thereof);*
- *Determine the **criteria to assess the distinctiveness** of the mark (and/or parts thereof);*
- *Determine the impact on LOC when the **common components have a low degree of distinctiveness***
- *Determine the impact on LOC when the **common components have no distinctiveness**.”*

The eleventh recital of the Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008, to approximate the laws of the Member States relating to trade marks (the “Directive”), states that the appreciation of likelihood of confusion depends on numerous elements and, as the case-law has repeatedly asserted, it must be appreciated **globally**, taking into account all factors relevant to the circumstances of the case (e.g. see, Judgments C-251/95 ‘Sabel’ para.22 and C-342/97, ‘Lloyd Schuhfabrik Meyer’, para. 18).

In the Judgment C-251/95, 'Sabel', the Court states that:

“global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.”

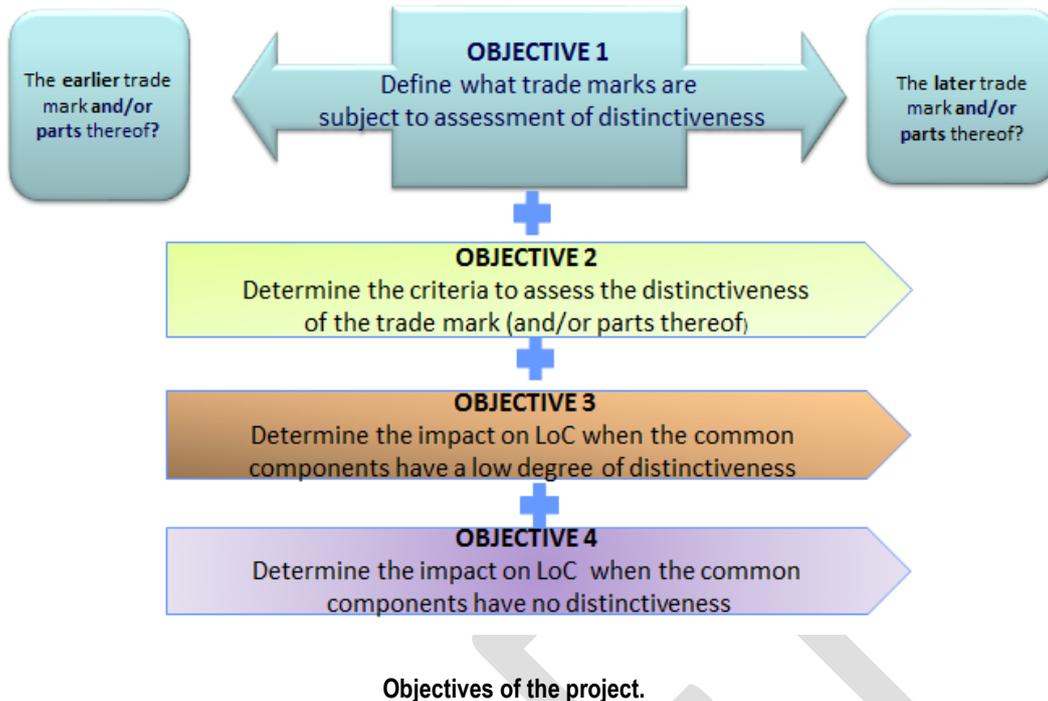
As already mentioned, the project analyses the **impact of the non-distinctive/weak components** of the marks at issue as one of the factors to be taken into account for the assessment of likelihood of confusion.

Although **there are many factors** that may have an impact in the **global appreciation of likelihood of confusion**, such as the dominant components, the degree of attention of the relevant public, coexistence, situation of the market, family of marks, etc., it is not the objective of this project to determine which are all the relevant factors, nor the criteria for their assessment, nor the interdependency between them. Consequently, the project does not deal with the overall assessment of likelihood of confusion, but with one of its essential parts.

The following are out of the scope of the project:

- *The assessment of enhanced distinctiveness and/or acquired distinctiveness through use and/or reputation: for the purpose of this project, it is assumed that there is no evidence and/or claim and/or previous knowledge that any of the trade marks are reputed or have an enhanced distinctiveness acquired through use.*
- *Agreement on the most relevant factors that are considered when assessing the likelihood of confusion.*
- *Agreement on the interdependencies between the assessment of distinctiveness and all the other relevant factors that are considered when assessing the likelihood of confusion.*
- *Language issues: It is considered for the sake of the project that trade marks which contain word elements with no (or low) distinctiveness in English will be considered as having no (or low) distinctiveness in all languages and are understood by the national offices.*

It is possible to identify four different objectives, as represented in the following figure:



Several approaches are followed for the examination of likelihood of confusion, wherein the distinctiveness of the components may be assessed at different stages. Regardless of the performed approach, the practical outcome regarding the impact of the non-distinctive/weak components of the marks at issue will remain unaffected.

5. THE COMMON PRACTICE

5.1. *Assessment of distinctiveness: the earlier mark and/or parts thereof, and/or the later mark and/or parts thereof (Objective 1)*

When evaluating likelihood of confusion:

- The distinctiveness of the earlier mark as a whole is assessed.
- The distinctiveness of all components of the **earlier** mark and of the **later** mark is also assessed, prioritising the coinciding components.

Nonetheless, when assessing the distinctiveness of the earlier mark as a whole, account must be taken of the fact that in accordance with the Judgment of the Court C-196/11P, *F1-LIVE*, when assessing likelihood of confusion “the validity of earlier registered marks may not

be called into question” (para.40). Therefore, “it is necessary to **acknowledge a certain degree of distinctiveness** of an earlier national mark on which an opposition against the registration of a Community trade mark is based.” (para. 47).

5.2. Criteria to assess the distinctiveness of the mark (and/or parts thereof)(Objective 2)

In interpreting the provisions contained in both Articles 4(1)(b) and 5(1)(b) of the Directive the Court in its Judgment C-342/97, ‘Lloyd Schuhfabrik Meyer’, states that:

“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” (para. 22).

Accordingly, and due to the lesser capacity of a weak mark to perform its essential function within the market, its scope of protection considering its non (or low) distinctive components should be narrow.

When assessing the distinctiveness of the marks in relative grounds the same criteria that are used to determine distinctiveness as in absolute grounds apply. However, in relative grounds these criteria are used not only to determine whether a minimum threshold of distinctiveness is met but also to consider the varying degrees of distinctiveness.

5.3. Impact on likelihood of confusion when the common components have a low degree of distinctiveness (Objective 3).

- When marks share an element with low distinctiveness, the assessment of LOC will focus on the impact of the non-coinciding components on the overall impression of the signs. It will take into account the similarities/differences and distinctiveness of the non-coinciding components.

- A coincidence in an element with a low degree of distinctiveness will not normally **on its own** lead to LOC.

However, there may be LOC if:

- The other components are of a lower (or equally low) degree of distinctiveness or are of insignificant visual impact and the overall impression of the signs is similar.

OR

- The overall impression of the signs is highly similar or identical.

Examples:

* For the purpose of this project, all the other factors which may be relevant for the global appreciation of likelihood of confusion are deemed not to affect the outcome. Also, it is considered that the goods and services are identical.

In all these examples the common component(s) is/are considered to possess a low degree of distinctiveness.

Earlier sign	Contested sign	Goods/services	Outcome
MORELUX	INLUX	Class 44: Beauty Treatment	NO LOC
DURALUX	VITALUX	Class 44: Beauty Treatment	NO LOC
PRESTIGE	P&G PRESTIGE BEAUTÉ	Class 3: Cosmetics	NO LOC
		Class 32: Fruit juices	NO LOC
		Class 9: Credit cards	NO LOC
		Class 32: Fruit juices	NO LOC

		Class 30: Tea	NO LOC
		Class 9: Credit cards	NO LOC
COSMEGLOW	COSMESHOW	Class 3: Cosmetics	LOC
		Class 11: Refrigerators	LOC
		Class 43: Holiday accommodation services	LOC

5.4. Impact on likelihood of confusion when the common components have no distinctiveness (Objective 4).

- When marks share a component with no distinctiveness, the assessment of LOC will focus on the impact of the non-coinciding components on the overall impression of the signs. It will take into account the similarities/differences and distinctiveness of the non-coinciding components.
- A coincidence only in a non-distinctive components **does not lead to LOC.**
- When signs also contain other figurative and/or word elements which are similar, **there will be LOC,** if the overall impression of the signs is highly similar or identical.

Examples:

* For the purpose of this project, all the other factors which may be relevant for the global appreciation of likelihood of confusion are deemed not to affect the outcome. Also, it is considered that the goods and services are identical.

In all these examples the common component(s) is/are considered to possess no distinctiveness.

Earlier sign	Contested sign	Goods/services	Outcome
GREENGRO	GREENFLUX	Class 19: Building materials Class 37: Construction services	NO LOC
BUILDGRO	BUILDFLUX	Class 19: Building Materials Class 37: Construction Services	NO LOC
	SMARTPHONES.NET	Class 9: Mobile phones	NO LOC
		Class 36: Financial Services	NO LOC
		Class 29: Fish	NO LOC
CRE-ART	PRE-ART	Class 41: Art gallery services	LOC
TRADENERGY	TRACENERGY	Class 9: Solar energy collectors for electricity generation	LOC
		Class 9: Solar energy collectors for electricity generation	LOC