

Adding Matter to Another's mark

The ECJ's ruling in *Intel Corp v CPM (UK) Ltd* on the 27th November will probably alter Europe's Trade mark practice landscapes in the same way that the *Microsoft* 'windows media player case' did to Competition Law. Nothing we don't already know in terms of doctrine, but for the first time, it is increasingly becoming clear that the ECJ's is unwilling to confer broad monopolies characteristically awarded by some US Courts to big Transnational Corporations. In this case, the Court of Appeal of England and Wales made a reference to the ECJ to rule on a Art 4(4)(a) (Europe's dilution provision). Intel Corporation (Intel Corp) owns the UK word mark "INTEL" for computers and other closely related goods and services in Classes 9, 16, 38 and 42. The Intel trade mark has a considerable reputation in the UK and across most parts of Europe. CPM owned the UK word mark INTELMARK for marketing and telemarketing services in Class 35. Intel Corporation sought a declaration of invalidity against the INTELMARK registration, claiming that its use would take unfair advantage of, or be detrimental to the distinctive character or the repute of the earlier INTEL trade mark.

The application was dismissed by the UK IPO, and the High Court agreed with the UK IPO. Intel then appealed to the Court of Appeal, claiming that their mark would be diluted by the use of INTELMARK and relying on the ECJ's ruling in *Adidas-Salomon and Adidas Benelux*. Intel submitted that showing a degree of similarity between its earlier mark that had a reputation, and the later mark was sufficient to establish likelihood of confusion including likelihood of association because the relevant public would then be able to establish a link (or mental association) between those two marks by reading the first part of the INTELMARK mark. Intel also cited the ruling in *General Motors*, arguing that the earlier mark is both unique and has a strong distinctive character and that detriment would be caused by any use for any other goods or services because it was important for such a well known mark, to prevent any encroachment at the very beginning.

The Court of Appeal stayed proceedings and referred a few questions to the ECJ for a preliminary ruling which were aimed at establishing clarity on Article 4(4)(a) of the Trade mark Directive (89/104), including whether establishing the 'classic' facts of: uniqueness in respects of goods or services; reputation for said type of goods or services (whether similar or dissimilar in comparison with those of the later mark); and if the earlier mark would be brought to mind by the average consumer when he or she encounters the later mark used for the services of the later mark, would be sufficient in themselves to establish (i) "a link" within the meaning of paragraphs 29 and 30 of [*Adidas-Salomon and Adidas Benelux*], and/or (ii) unfair advantage and/or detriment within the meaning of that Article and if not what factors would?

The ECJ's reply was that " (1) Article 4(4)(a) of the Directive must be interpreted as meaning that whether there is a link, within the meaning of Case C 408/01 *Adidas-Salomon and Adidas Benelux*, between the earlier mark with a reputation and the later mark must be assessed globally, taking into account all relevant factors. Intel was correct in stating that the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks. But, even if the earlier mark has a reputation for certain specific types of goods or services, and those goods or services and the goods or services for which the later mark is registered are dissimilar or dissimilar to a certain degree, and the earlier mark is unique in respect of any goods or services, it does not then automatically follow that there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks. Article 4(4)(a) of Directive 89/104 must be interpreted as meaning that whether a use

of the later mark takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark, must be assessed globally, taking into account all factors relevant to the circumstances of the case.

The fact that the earlier mark has a reputation for certain specific types of goods or services, and that those goods or services and the goods or services for which the later mark is registered are dissimilar or dissimilar to a substantial degree, and that the earlier mark is unique in respect of any goods or services, and for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark to mind, is not sufficient to establish that the use of the later mark takes or would take unfair advantage of, or would be detrimental to the distinctive character or the repute of the earlier trade mark, within the meaning of Article 4(4)(a) of Directive 89/104.

Article 4(4)(a) of Directive 89/104 must be interpreted as meaning that the use of the later mark may be detrimental to the distinctive character of the earlier mark with a reputation even if that mark is not unique; a first use of the later mark may suffice to be detrimental to the distinctive character of the earlier mark; Proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future.”

In previous years the ECJ has emphasised the interdependence of various factors such as the degree of distinctiveness of the earlier mark, the identity or degree of similarity of the goods or services, the nature of those goods or services and the trade channels as key to demonstrating how the average consumer is likely to perceive the later mark. This meant that a lesser degree of similarity is usually offset by a greater similarity of goods and vice versa.

When a later mark incorporates the whole of an earlier one, the Court of First Instance's practice has been to ask whether the common element in both marks was dominant within the composite mark.

In LIFE/ THOMPSON LIFE, the Advocate General found the practice of assessing dominance of a common element not to be new or wrong when ascertaining the existence of a likelihood of confusion. In WEST/ WESTLIFE (*Reemark Gessellshcaft fur Markenkoooperation mbH v OHIM* (Case T-22/04)it was found that when someone borrowed the whole of another's mark, a likelihood of confusion could not be automatically presumed. The CFI annulled this decision on appeal. The CFI found that taking an overall assessment, there was a theoretical possibility that WESTLIFE might be perceived as a variant of the existing mark WEST if the earlier mark performed its trade mark function. This was so because marks could be regarded as similar since one of the word elements of the later mark was visually and aurally identical to the earlier word mark and had no conceptual meaning for the relevant public in respect of the goods and services. This meant that when later composite mark contained an element from an earlier mark, the test on whether a likelihood of confusion could arise would focus on whether the shared element was “dominant”. However, such an approach has a potential to cause potential problems.

In *Matratzen Concord v OHIM* (Case T-6/01) {2002} ECR II-4335, it was held that marks were similar if the relevant public perceived them to be at least partially identical in one or more aspects.

In *Faber Chimica Srl v OHIM* (Case T-211/03) the CFI over turned OHIM's finding of a likelihood of confusion between a CTM for a stylised FABER logo and an earlier Spanish word mark registration for NABER for identical goods. The CFI held that the logo should only be considered if

there was a finding of similarity in the words mark, and in this case the CFI concluded that FABER and NABER were distinguishable, taking into account the specialised attentive nature of the relevant public. This approach seemed to give rise to questionable results, as was the situation in *CM Capital Market Holding SA v OHI-Mm* (case T-390/03), in which the CFI compared a CTM for a stylised CM logo with an earlier Spanish mark CAPITAL MARKETS CM logo. Using the approach in *Matratzen*, the CFI focussed on the specific shared elements, leaving out the overall impression created by the mark as a whole. However, the main problem with such an approach is that as shown in this case the words CAPITAL MARKETS could not be ignored in preference to CM which arguably had a minor visual role. The same unpredictability was also observed in *LIMONCHELLO*.

Thus, if some of the above cases appeared to affirm that the addition of a mark or company name to a registered trade mark of average distinctiveness could not avoid the composite mark being deemed confusingly similar to the registered mark, then the present case suggests otherwise. It remains to be seen how this practice will be enforced, but it is almost certain that brand owners in Europe will now find it much more difficult to enforce their rights in the face of free riders, and may be left with much less power to prevent proprietors of confusingly similar marks with dissimilar goods registering those marks.

Thus if an application for a composite mark containing the word “Visa” in it was to be filed today for Condoms among other things, who can tell seeing this current judgement if they wouldn't get away with it this time around?