

II. Likelihood of confusion

Likelihood of confusion is central for determining whether some use made of a particular sign by a third party is within the scope of the exclusive rights, of the CTM registrant, described under Article 9(1) (b) of the CTMR.⁴¹¹ The concept “likelihood of confusion” is given statutory recognition under Articles 8(1) (b) and 9(1) (b) of the CTMR.⁴¹² It must, however, be made clear at the outset that while likelihood of confusion serves as a relative ground for trademark refusal, it is also a condition for finding trademark infringement under Article 9(1) (b) of the CTMR as it constitutes the specific condition for the protection afforded by a CTM.⁴¹³ This implies that the meaning ascribed to the phrase “likelihood of confusion” in course of CTM infringement proceedings does not differ from the way OHIM interprets the phrase, as a relative ground for a CTM refusal, during trade mark examination or opposition proceedings.⁴¹⁴ Indeed, this approach cannot be questioned, since a CTM proprietor has right under both Articles 9(1) (b) and 8(1) (b) of the CTMR respectively to prevent anyone from using his mark, or anyone else applying to register a trademark the use of which could be prevented in view of the essential function of a trademark.⁴¹⁵

1. CTM function and likelihood of confusion

Registration of a CTM guarantees that wherever such a mark is used, it will be used as an indication of origin.⁴¹⁶ This conclusion is supported by various decisions of the ECJ,⁴¹⁷ which altogether confirm that:

411 ECJ, 11 November 1997, Case C- 251/95, *Sabel BV v. Puma AG* [1997] ECR I-06191, para. 22. Cf. also HIDAKA, S., *et al*, “A sign of the times? A review of key trade mark decisions of the European Court of Justice and their impact upon national trade mark jurisprudence in the EU”, 94(5) TMR 1105, 1129 (2004).

412 Article 8(1) (b) of the CTMR stipulates that: “upon opposition by the proprietor of an earlier trade mark, the trademark applied for shall not be registered if because of its identity with or similarity to the earlier trademark and 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; likelihood of confusion includes the likelihood of association with the earlier trade mark”. Article 9(1) (b) is reproduced in section E (I) (1) of this chapter.

413 Cf. recital 8 of the CTMR.

414 Cf. “Opposition Guidelines” (Part 2 Chapter 2A) 3 (OHIM 2004).

415 The phrase “essential function of a trade mark” is elucidated in chapter 6 *infra*.

416 Cf. recital 8 of the CTMR.

417 Cf. Case C-120/04, *Medion AG* [2005] ECR I-08551, para. 23; Case C-371/02, *Björnekulla Fruchtindustrier* [2004] ECR I-05791, para. 20 and Case 39/97, *Canon*

The essential function of the trade mark is to guarantee the identity of the origin of the marked product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality.⁴¹⁸

Such a guarantee is diminished where the use of a sign by another – not authorised by the CTM proprietor – carries with it the risk that the public might believe that the goods and services marketed under the sign and those marketed under the CTM come from the same or economically linked companies, for such use would constitute a likelihood of confusion. The same holds true even where the public is of the view that the goods or services do not originate from the same entity *stricto sensu*, but only from economically linked undertakings, as there could still be a risk of confusion in this scenario too.⁴¹⁹ The controlling requirement here is the likelihood that the public believes that a single entity is responsible for the goods or services.⁴²⁰ It can generally be assumed that, “there can be no such likelihood of confusion where it does not appear that the public could believe that the goods and services come from the same undertaking or, as the case may be, from economically-linked undertakings”.⁴²¹ However, trademark infringement might also be upheld even where the use of an infringing sign does not interfere with the trademark’s function at the point of sale, but does so after the sale. Post sale confusion ensues where “those who are confronted with the goods after they have left the infringer’s point of sale, are likely to interpret the sign, as it is used by the infringer, as designating or tending to designate the undertaking from which the infringer’s goods originate”.⁴²²

[1998] ECR I-05507, para. 28.

418 Cf. Case C-10/89, *HAG GF (HAG II)* [1990] ECR I-3711, paras. 13 and 14.

419 This view is in line with a distinction between direct and indirect risks of confusion drawn by the ECJ in the following words: “there is a risk of confusion between two trade marks not only when the public might mistakenly assume that the goods concerned come from one and the same undertaking (direct risk of confusion) but also when the mistaken assumption relates to the existence of an organizational or economic link between the undertakings concerned, such as licensing agreement under which one undertaking is authorized to manufacture a product with the same properties as the product of the other (risk of confusion in the broadest sense)” (cf. Case C-317/91 *Deutsche Renault AG v AUDI AG* [1993] ECR I-06227, para. 36).

420 Cf. “Opposition Guidelines” (Part 2 Chapter 2A) 7 (OHIM 2004).

421 Case C-39/97, *Canon Kabushiki Kaisha* [1998] ECR I-05507, para. 30.

422 ECF, Case C-245/02, *Anheuser-Busch Inc v Budějovický Budvar*, OJ C 6, 8.1.2005, p. 5– 6, para. 60.

2. In whose view is the likelihood of confusion determined?

Since the risk of confusion is eminent “when there is a likelihood that the public might believe that the goods or services in question come from the same undertaking, or as the case may be, from economically-linked undertakings”,⁴²³ an assessment of the likelihood of confusion is therefore done in accordance with how the relevant public perceives the signs in relation to products or services in issue. Such an assessment takes into account all circumstantial factors relevant to each case, namely, the interdependence between the similarity of the signs and the similarity of the goods or services.⁴²⁴ Confusion is further assessed on the basis of how an average consumer⁴²⁵ would behave given two or more products of different origin but using identical or confusingly similar marks. It must be conceded that an average consumer perceives a mark as a whole and does not proceed to analyse its various details although he may break it down into word elements which, for him, suggest a concrete meaning or which resemble words known to him.⁴²⁶ The average consumer is presumed to be reasonable, fully informed, observant and circumspect.⁴²⁷

However, the level of attention that the ideal consumer pays varies depending on the type of goods or services concerned.⁴²⁸ If the goods in question are everyday consumer goods, the consumer involved here would not be adjudged as unreasonable or uninformed or not circumspect merely because he has mistakenly turned to some fake products assuming the same to be the ones, he usually purchases under the mark accustomed to him. Since such a consumer has some preconceived knowledge about the characteristics of the goods, he is accustomed

423 CIF, 6 May 2008, Case T-246/06 *Redcats SA v OHIM*, [2008] ECR II-00071, para. 29.

424 CFI, 11 July 2007, Case T-150/04, *Mülhens GmbH & Co. KG v OHIM* [2007] ECR II-02353, para. 26.

425 The word “‘consumer’ is to be understood in the wide sense of the term, and should not be restricted to those persons who actually and physically consume the product. In that respect, reference can be made to the term ‘consumer protection’ which covers all parts of the consuming public. Because of the nature of the goods or services to which a mark is applied can vary considerably, actual and/or potential consumers can be different in each case. Groups of actual and/or potential consumers may be identified with the help of parameters such as the target group for the goods and services in relation to which the mark is used or the group of actual purchasers” (cf. “Opposition Guidelines” (Part 2 Chapter 2A) 14 (OHIM 2004).

426 CFI, 27 February 2008, Case T-325/04, *Citigroup, Inc. v OHIM* [2008] ECR II-00029, para. 78.

427 CIF, 6 May 2008, Case T-246/06, *Redcats SA v OHIM* [2008] ECR II-00071, para. 30.

428 CFI, 15 January 2008, Case T-9/05, *Hoya Kabushiki Kaisha v OHIM* [2008] ECR II-00003, para. 29.

to; he is likely not to notice a slight dissimilarity between the infringing sign and the CTM.

In contrast, the result would not be the same as above where the products to which the infringing sign and a CTM are applied, though same or similar, are intended for consumption by a specific class of people who have a specialised knowledge regarding the products in connection with which the sign and the CTM are used. This may particularly be the case where the products concerned are some raw materials such as unprocessed plastics out of which the specialists who are engaged in further processing of the materials would manufacture semi-processed plastics and plastic substances.⁴²⁹ Since these raw materials are not in common use, the specialists concerned (i.e. the average consumers) are reasonably expected to demonstrate a sufficient attentiveness when choosing the products.⁴³⁰

Suppose the goods at issue are, antitussive medicines, food supplements and vitamin preparations, the relevant public would definitely comprise of a consumer, who, even where presumed attentive and informed about the characteristics of the pharmaceutical and nutraceutical products, which he purchases in order to improve his health, it would still be extremely difficulty (due to the often foreign and scientific sounding names of these products) for him (as non-specialised person) to remember them correctly.⁴³¹ However, this scenario can be distinguished from the cases involving some very expensive products such as furniture. Under the latter, “the process of comparison and reflection before the choice is made” requires a higher level of attention. An average consumer does not regularly buy such expensive items and hence he is expected to be cautious by maintaining a higher level of attentiveness (than his normal level of attention) when purchasing those goods.⁴³²

Thus, a higher level of attention will be imputed to the consumer in every case concerning expensive, infrequent or risky purchases.⁴³³

429 CFI, 17 April 2008, Case T-389/03, *Dainichiseika Colour & Chemicals Mfg. Co. Ltd. V OHIM*, [2008] ECR II-00058, paras. 57 to 59.

430 CFI, 17 April 2008, Case T-389/03, *Dainichiseika Colour & Chemicals Mfg. Co. Ltd. V OHIM* [2008] ECR II-00058, para. 100.

431 See the decision of the second Board of Appeal (OHIM), 30 April 2008, Case R 1630/2006-2, *Matthias Rath v Portela & Ca., S.A.*, para. 59.

432 CFI, 16 January 2008, Case T-112/06, *Inter-Ikea Systems BV v OHIM* [2008] ECR II-00006, para. 37.

433 “Opposition Guidelines” (Part 2, Chapter 2D) 11 (OHIM 2007).

3. Thresholds of likelihood of confusion

For a CTM infringement to be affirmed under Articles 9(1) (b) and 8(1) (b) of the CTMR, likelihood of confusion will not be presumed, as the case would be where the goods and services as well as the conflicting signs were identical, but must be proved.⁴³⁴ As the ECJ has held repeatedly, “even where a mark is identical to another with a highly distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered”, since “the likelihood of confusion presupposes that the goods or services covered are identical or similar”.⁴³⁵ Likelihood of confusion is thus appreciated globally by taking account of several factors including, but not limited to, “the degree of similarity between the signs and the goods or services”.⁴³⁶

a) Similarity of trademarks

In order to determine whether there is a likelihood of confusion the conflicting marks have to be compared in terms of their visual, aural and conceptual similarity.⁴³⁷ The distinctive and dominant components of the signs in question may be taken into account to determine the overall impression of such similarity.

aa) Visual similarity

As regards the visual comparison between the opposing signs, the visual similarity of the dominant elements of the earlier trademark is a decisive factor in founding the likelihood of confusion. In a case involving LES PAGES JAUNES (as a CTM) and PAGESJAUNES.COM (as an infringing sign); the expression “pages jaunes” could constitute a dominant element of the CTM and the sign. Hence, the dominant element makes the sign and the mark visually

434 However, an argument that likelihood of confusion must not be proven in relation to confusingly similar marks may be accentuated: Since from etymological point of view the term “likelihood of confusion” may be treated as a risk or a danger of confusion, actual confusion is not a condition for affirming a likelihood of confusion, even though evidence of actual confusion would favour a finding of a likelihood of confusion (*cf.* “Opposition Guidelines” (Part 2, Chapter 2D) 17 (OHIM 2007)).

435 Case C-39/97, *Canon Kabushiki Kaisha* [1998] ECR I-05507, para. 22.

436 ECJ, 11 November 1997, Case C- 251/95, *Sabel BV v. Puma AG* [1997] ECR I-06191, para. 22.

437 ECJ, 12 June 2007, Case C-334/05 P, *OHIM v Shaker di L. Laudato & C. Sas* [2007] I-04529, para. 35.

similar, notwithstanding the fact that the CTM comprises of “three words with a total of five syllables” in contrast to the infringing sign, which consists of one word of six syllables.⁴³⁸ It follows that a finding of a likelihood of confusion based on visual similarity cannot be overruled on the ground that the dominant word element included in the infringing sign (such as “pages jaunes”) is a non-distinctive or is a generic term forming part of the CTM. In this regard, it has been held that “even in a case involving an earlier mark of weak distinctive character, there may be a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered”.⁴³⁹ This is because a weak distinctive character of an element of a complex mark may make an impression on consumers and be remembered by them.⁴⁴⁰ However, where a visually descriptive, dominant element (common to both the CTM and an infringing sign) leads to a finding of likelihood of confusion, such a finding cannot, by itself, confer on the CTM proprietor some exclusive rights on the use of such a dominant element. This could also be the case, for instance, where LINK (as a CTM) and WORLDLINK (as an infringing sign) are the subject of a dispute. In this scenario the word LINK would be held to be a dominant, visual element notwithstanding the fact that the term LINK lacks sufficient distinctiveness for “banking services for the dispensing of cash; fund transfer and payment services; financial services”.⁴⁴¹ Nevertheless, the court would not hesitate to uphold the likelihood of confusion between the infringing sign and the CTM, while leaving open the possibility of other proprietors to use the term LINK in relation to future trademark or applications.⁴⁴²

In assessing visual similarity, the figurative elements of a CTM used along with a word element are often considered to be marginal, especially where such word elements are predominantly similar to the infringing sign. Suppose that “amply” (a CTM) and “amplitude” (an infringing sign) are in issue. Assume further that the CTM is composed of some figurative elements of ordinary turquoise-blue printed letter. These elements cannot be considered dominant

438 Cf. CFI, 13 December 2007, Case T- 134/06, *Xentral LLC v OHIM* [2007] ECR II-05213, paras. 53, 57 and 58.

439 Case T- 134/06, *Xentral LLC v OHIM* [2007] ECR II-05213, para. 70.

440 Case T- 134/06, *Xentral LLC v OHIM* [2007] ECR II-05213, para. 54.

441 CFI, 27 February 2008, Case T-325/04, *Citigroup, Inc. v OHIM* [2008] ECR II-00029, para. 67.

442 CFI, 27 February 2008, Case T-325/04, *Citigroup, Inc. v OHIM* [2008] ECR II-00029, para. 98.

features of the CTM apart from the word “amply” itself, since the CTM is, with the exception of a single letter (y instead of i) included in the infringing sign.⁴⁴³

The CFI’s jurisprudence reveals that the verbal element will not always be automatically considered where a mark in question consists of both verbal elements and figurative elements. This is due to the reasoning that in a complex mark the figurative elements may occupy a position equivalent to the verbal element. In *Inter-Ikea Systems BV*, the court considered the figurative elements of the contested mark⁴⁴⁴ and found that those elements possessed a relatively high degree of intrinsic distinctiveness due to the “small squares regularly aligned to evoke a sense of order or modularity”.⁴⁴⁵ Thus, a distinctive figurative trademark cannot be held to be visually similar to earlier word mark on the ground that the trademark applied for uses in its figurative element the term which is visually similar to that used in the earlier mark.

bb) Aural or phonetic similarity

Pronunciation of the word elements of the opposing signs may determine the extent of the likelihood of confusion. In *Quelle AG*⁴⁴⁶ the earlier figurative national mark which had a word element MARS and the trademark NARS (the Community trademark applied for) were in dispute. Assessing aural similarity, the court found that the letters a, r, and s were phonetically common to the word elements of NARS and MARS. In spite of the fact that consumers usually attach more weight to the first part of the word, the phonetic difference to the first letters of the signs in question could not reverse a finding of aural similarity. Thus, minor phonetic difference does not “counteract the similarity arising from the identity between the most significant parts, in terms of number of letters, of the conflicting signs”.⁴⁴⁷

443 CFI, 15 January 2008, Case T-9/05, *Hoya Kabushiki Kaisha v OHIM* [2008] ECR II-00003, paras. 36 to 41.

444 Whereas the sole element of the earlier mark was the term “ikea”; the contested mark was a complex mark composed of the verbal element “idea” and a figurative element. Such figurative element took the form of a grid with rounded corners made up of 15 small squares: 14 white squares and one black square, presented diagonally in the upper left corner.

445 CFI, 16 January 2008, Case T- 112/06, *Inter-Ikea Systems BV v OHIM* [2008] ECR II-00006, paras. 44 to 61.

446 CFI, 8 February 2007, Case T-88/05, *Quelle AG v OHIM* [2007] ECR II-00008.

447 CFI, 8 February 2007, Case T-88/05, *Quelle AG v OHIM* [2007] ECR II-00008, para. 63.

The CFI's judgment dealing with the marks AMPLITUDE/AmPLY⁴⁴⁸ stresses that visually dissimilar syllables may be phonetically similar when used in different languages. Thus, the court found that the first two syllables of the marks in question created phonetically similar impression due to the fact that "in Spanish, the letters 'y' and 'i' are both pronounced like the vowel 'i'". Despite the fact that consumers were likely to reinforce in their minds such phonetic similarity, the addition of syllables 'TUDE' doubled the length of the mark applied for and thus weakening the phonetic similarity.⁴⁴⁹ Diminishing the likelihood of confusion on phonetic similarity basis, the court held that, "in Spanish, the main stress, in respect of the two marks at issue, is on the penulti-mate syllable". Accordingly, in the word element *amPLY*, the main stress is on the syllable 'am' and, in the word element *amPLITUDE*, the main stress is on the syllable 'tu'. Since "in Spanish, the stressed syllable 'tu' in the mark applied for" (is one of the syllables added to the common root of the conflicting marks, and) "is longer than the stressed syllable 'am' in the earlier mark", the court ruled in favour of phonetic difference.⁴⁵⁰

Where the conflicting marks consist of the same number of letters and contain the same sequence of vowels, the court may rely on the sound of a consonant in the marks to determine the phonetic similarity or difference of the marks.⁴⁵¹ Thus, the consonants *d* and *k* in the *ideal/ikea* marks were held to be different because the former is voiced epical consonant and the latter is a voiceless dorsal consonant. Consequently, there is no aural similarity between the marks concerned unless such marks contain in their word elements an "identical sequence of at most three matching sounds".⁴⁵²

Phonetic comparison "must be made with regard to all the languages spoken by the relevant public"⁴⁵³, i.e. all EC languages, "and not with regard only to

448 CFI, 15 January 2008, Case T-9/05, *Hoya Kabushiki Kaisha v OHIM* [2008] ECR II-00003.

449 CFI, 15 January 2008, Case T-9/05, *Hoya Kabushiki Kaisha v OHIM* [2008] ECR II-00003, paras. 42 to 44.

450 CFI, 15 January 2008, Case T-9/05, *Hoya Kabushiki Kaisha v OHIM* [2008] ECR II-00003, para. 46.

451 CFI, 16 January 2008, Case T- 112/06, *Inter-Ikea Systems BV v OHIM* [2008] ECR II-00006, para. 64.

452 CFI, 16 January 2008, Case T- 112/06, *Inter-Ikea Systems BV v OHIM* [2008] ECR II-00006, para. 66.

453 Since "the protection afforded to the earlier mark covers the whole Community; what must be considered is the perception which the consumer of the goods at issue has of the marks at issue within the whole of that territory". Cf. CIF, 6 May 2008, Case T-246/06, *Redcats SA v OHIM* [2008] ECR II-00071, para. 31.

French and English”.⁴⁵⁴ International character of the market intended for the goods bearing the conflicting marks may also play a decisive role (as to which language is applicable) as far as aural similarity in relation to the likelihood of confusion is concerned. In *GAVALLIA/GALVALLOY* case,⁴⁵⁵ the OHIM’s board of appeal based only on French rules of pronunciations to determine phonetic similarity of the two opposing marks. However, on appeal, the CFI found the two marks to be aurally similar on the basis of English pronunciation. The court reasoned that since the marks were intended to be used in the steel industry, the market in that industry was highly internationalised to the extent that only English was the corresponding consumer language in such market.⁴⁵⁶

It is important to note that “the degree of phonetic similarity between two marks is of less importance in the case of goods which are marketed in such a way that, when making a purchase, the relevant public perceives visually the mark” by which those goods are designated.⁴⁵⁷ Hence, an assessment of conceptual similarity comes into play to determine the intersection of the phonetic (or aural) and visual similarity.

cc) Conceptual similarity

Conceptual similarity between the sign and the CTM is assessed in the light of the impression which such marks call to the relevant consumer’s mind. In a scenario involving *PAGESJAUNES.COM* (as an infringing sign) and *LES PAGES JAUNES* (as a CTM), confusion would be discerned on the basis of conceptual similarity. This finding would not be reversed by the fact that the CTM, by using *LES* at the beginning, differs from the infringing sign, which uses *.COM* at the end. Thus, comparison of the sign and the CTM may indicate that they both refer to yellow (pages) or paper-based directories, notwithstanding the ending of *.COM* to the infringing sign for such an ending does not alter the meaning of the expression *PAGES JAUNES* (which is dominant element to both

454 CIF, 6 May 2008, Case T-246/06, *Redcats SA v OHIM* [2008] ECR II-00071, para. 45.

455 CFI, 14 February 2008, Case T-189/05, *Usinor SA v OHIM* [2008] ECR II-00022, paras. 58 to 61.

456 According to the court, the relevant public were French speaking consumers with knowledge of English language (cf. Case T-189/05, *Usinor SA v OHIM* [2008] ECR II-00022, paras. 59 and 65).

457 Cf. CFI, 8 February 2007, Case T-88/05, *Quelle AG v OHIM* [2007] ECR II-00008, Para. 69.

marks) but merely suggests that the goods marketed under the infringing sign can be “consulted or bought over the internet”.⁴⁵⁸

In order to conceptualise a mark consisting of a prefix and suffix, a relevant consumer will normally perceive such mark as a whole without resorting to a rigorous analysis of its various details. He may, nevertheless, perceive such a verbal sign by breaking it down “into verbal elements which, for him, suggest a concrete meaning or which resemble words known to him”.⁴⁵⁹ Thus, in *GALVALLOY/GALVALLIA* case, the court having determined that the relevant public was the French speaking with the knowledge of English language, concluded that such public would, in the mark applied for, “recognise the presence of the English word ‘alloy’, corresponding to ‘alliage’ in French, even if the first letter of that word ‘a’ has merged with the last letter of the prefix ‘galva’, according to the usual process of haplology”.⁴⁶⁰ Moreover, “the evocative force of the suffix ‘allia’” in the earlier mark could trigger a perception in the mind of the relevant public that the suffix referred to the word ‘alliage’. Consequently, the possible interpretation, by the public would be that, “both signs referred to the concepts of galvanisation and alloy” and hence, (the opposing marks are) conceptually similar.⁴⁶¹

Determination of the conceptual similarity is only possible where both the opposing marks contain word elements capable of semantic meaning; for “there can be no conceptual similarity between a mark which conveys no clear meaning in any of the official languages of the European Union” and another mark whose verbal element carries some actual meaning in the minds of the EC public.⁴⁶² Thus, where the mark applied for (or the infringing sign) contains a word (such as *idea*) which has a real meaning for the European public, cannot be held conceptually similar to an earlier trademark containing neologism such as *ikea*.⁴⁶³

Moreover, grammatical rules are taken into account to justify conceptual similarity (and/or dissimilarity). In *WORLDLINK/LINK* case, the CFI had to

458 CFI, 13 December 2007, Case T- 134/06, *Xentral LLC v OHIM* [2007] ECR II-05213, para. 62.

459 CFI, 14 February 2008, Case T-189/05, *Usinor SA v OHIM* [2008] ECR II-00022, para. 62.

460 CFI, 14 February 2008, Case T-189/05, *Usinor SA v OHIM* [2008] ECR II-00022, para. 65.

461 CFI, 14 February 2008, Case T-189/05, *Usinor SA v OHIM* [2008] ECR II-00022, paras. 66 to 68.

462 CFI, 16 January 2008, Case T- 112/06, *Inter-Ikea Systems BV v OHIM* [2008] ECR II-00006, para. 70.

463 CFI, 16 January 2008, Case T- 112/06, *Inter-Ikea Systems BV v OHIM* [2008] ECR II-00006, para. 71.

resort to the rules of English grammar and found that the element ‘world’ (in the trademark applied for) would be perceived by all consumers in the United Kingdom, “(on account of its position at the beginning) as an adjective meaning ‘global’ and qualifying the element ‘link’” with the consequence that the conceptual importance of the word element ‘world’ would be less if compared with the word element ‘link’.⁴⁶⁴ Conceptually, therefore, the earlier mark *link* would literally be understood in its natural semantic meaning, whereas the mark applied for *worldlink* would be perceived by the relevant public as meaning ‘global link’. Thus, the marks in question are conceptually similar for they are based on the same concept (link) only being distinguished by the addition of geographical qualifier (world).

b) Similarity of goods and/or services

Similarity between goods or services covered by the opposing marks may convey perception in the minds of consumers that the goods or services have the same origin or are marketed under one trademark. The provisions of Articles 8(1) (b) and 9(1) (b) of the CTMR presuppose that likelihood of confusion will mainly base on the identity or similarity between goods and services covered by the opposing marks. Even where the mark applied for (or the infringing sign) is obviously identical (in terms of aural, visual and conceptual similarity) to a particularly distinctive CTM,⁴⁶⁵ it is still a condition to furnish evidence regarding the similarity between the goods or services covered by the opposing trademarks.⁴⁶⁶ It means therefore that slight similarity of the goods or services can be complemented by the high degree of similarity of the signs and vice versa.⁴⁶⁷

The practice obtaining in some European jurisdictions⁴⁶⁸ in relation to the assessment of similarity of goods or services takes into consideration various factors, namely uses of the goods or services; users or consumers of the goods or

464 CFI, 27 February 2008, Case T-325/04 *Citigroup, Inc. v OHIM* [2008] ECR II-00029, para. 82.

465 The distinctive character of an earlier trademark is taken into account “not in order to assess similarity of the goods, but in order to assess whether there is a likelihood of confusion” (cf. CFI, 12 June 2007, Case T-105/05, *Assembled Investments (Proprietary) Ltd v OHIM* [2007] ECR II-00060, para. 29).

466 CFI, 11 July 2007, Case T-150/04, *Mühlens GmbH & Co. KG v OHIM* [2007] ECR II-02353, para. 27.

467 CFI, 11 July 2007, Case T-443/05, *El Corte Ingles SA v OHIM*, para. 40.

468 Jurisdictions such as the United Kingdom (cf. FIRTH, A., et al, “Trade Marks – Law and Practice” (2nd ed.) 80 (Jordan Publishing, Ltd., Bristol 2005).

services; physical nature of the goods or acts of service; channels through which the goods or services reach the market; nature of the shops where goods are sold (whether the goods are sold in the super markets, in particular whether they are shelved close to each other and the impact the self-service practice of the supermarkets will have on the consumer's confusion); and the extent to which the goods are in competition with each other.⁴⁶⁹

It is, thus, clear that likelihood of confusion on the grounds of similarity between the goods or services is assessed by taking into consideration "all the relevant factors which characterise the relationship between" the goods or services such as "their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary."⁴⁷⁰ Other factors such as distribution channels and business outlets may also be taken into account.⁴⁷¹

The dictum stated in paragraph 109 in *Koipe Corporación SL* judgment⁴⁷² reiterates the fact that distribution channels may enhance the level of consumer confusion where the opposing marks consist of similar or closely similar figurative elements. Basing on the fact that "olive oil is most commonly purchased in supermarkets", and given the fact that both *CARBONELL* (earlier mark) and *la española* (the mark applied for) use similar figurative elements and are applied to fat-related products, the court upheld the Board of Appeal's findings of similarity between the goods marketed under the opposing marks. The court was of the considered view that in supermarkets, "the consumer is guided by impression than by a direct comparison of the various marks". Consequently, in supermarkets the consumer normally examines the marks speedily and at the distance. In such circumstances and given the fact that an average consumer perceives a mark as a whole due to the wants of an analysis as to the mark's various details, the "differences between the signs at issue are more difficult to distinguish and the similarities are more apparent".

In *Assembled Investments (Proprietary) Ltd*⁴⁷³ the articles of glassware and the wine were held to be different in terms of their nature and purpose of use

469 Alison Firth mentions these factors and points out that the factors were cited in *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc* (Case 39/94, [1999] ETMR 1) (*cf.* FIRTH, A., et al, "Trade Marks – Law and Practice" (2nd ed.) 80 (Jordan Publishing, Ltd., Bristol 2005).

470 CFI, 17 April 2008, Case T-389/03, *Dainichiseika Colour & Chemicals Mfg. Co. Ltd. V OHIM* [2008] ECR II-00058, para. 61.

471 CFI, 11 July 2007, Case T-443/05, *El Corte Ingles SA v OHIM* [2007] ECR II-02579, para.37.

472 *Cf.* CFI, 12 September 2007, Case T-363/04, *Koipe Corporación SL v OHIM* [2007] ECR II-03355.

473 CFI, 12 June 2007, Case T-105/05 *Assembled Investments (Proprietary) Ltd v OHIM*,

since “they are neither in competition with one another nor substitutable and not produced in the same area”. Regarding the fact that “wine and certain articles of glassware are sometimes sold in the same places, such as specialist wine retailers”; the court found that such use of the same distribution channel was “a negligible proportion of the overall sales of the articles of glassware concerned” which could not cause confusion.⁴⁷⁴

Even where goods are regarded different in terms of their nature, purpose and method of use and for that matter not functionally complementary in the respective business sectors; may still be aesthetically complementarily in the eyes of the relevant public. In the TOSCA BLU/TOSCA case⁴⁷⁵ in which goods in the fashion, body and facial care sectors were in dispute, it was held that such “aesthetically complementary nature must involve a genuine aesthetic necessity” to the extent that “one product is indispensable or important for the use of the other and consumers consider it ordinary and natural to use these products together”. Thus, image of the product is central to the determination of the question whether goods are aesthetically complementary.⁴⁷⁶ This is particularly the case where, coordinating the various components of the external (image) look of the goods, the consumer is likely to perceive a connection between the goods concerned.⁴⁷⁷

The fact that goods appear in different classes does not necessarily lead to a conclusion that such goods are dissimilar.⁴⁷⁸ Nevertheless; classification of goods may remotely give a hint as to whether goods are similar. For instance, it has been held that since “goods in class 25 and those in class 18 are often made of the same raw material, namely leather or imitation leather”; such material similarity may be taken into account in assessing the similarity between the goods.⁴⁷⁹

[2007] ECR II-00060, para. 31.

474 CFI, 12 June 2007, Case T-105/05 *Assembled Investments (Proprietary) Ltd v OHIM*, [2007] ECR II-00060, para. 32.

475 CFI, 11 July 2007, Case T-150/04 *Mühlens GmbH & Co. KG v OHIM*, [2007] ECR II-02353, paras. 35 to 39.

476 “Goods such as shoes, clothing, hats or handbags may, in addition to their basic function, have a common aesthetic function by jointly contributing to the external image of the consumer concerned” (cf. Case T-443/05 *El Corte Ingles SA v OHIM* [2007] ECR II-02579, para. 49).

477 CFI, 11 July 2007, Case T-443/05 *El Corte Ingles SA v OHIM* [2007] ECR II-02579, at [50].

478 “Classification of goods and services under the Nice Agreement is to serve exclusively administrative purposes” (cf. Case T-389/03 *Dainichiseika Colour & Chemicals Mfg. Co. Ltd. v OHIM* [2008] ECR II-00058, para. 62).

479 CFI, 11 July 2007, Case T-443/05 *El Corte Ingles SA v OHIM* [2007] ECR II-02579, para 42.

4. Likelihood of association

Both Articles 8(1) (b) and 9(1) (b) conclude with a stipulation that “likelihood of confusion includes the likelihood of association”. Some concerns may be raised as to whether the two terms are applied interchangeably. One may be persuaded, as the English High Court did,⁴⁸⁰ to conclude that the term “likelihood of association” adds nothing to the phrase “likelihood of confusion”. Since likelihood of association is included in the likelihood of confusion, then likelihood of confusion is a genus while the likelihood of association is a species. Thus, likelihood of association would be presumed in every scenario in which likelihood of confusion is proved. In this sense, proof of likelihood of association is not a conclusive evidence of likelihood of confusion. Since a species cannot anticipate a genus, a genus has to be proved, in which case a species will be presumed.⁴⁸¹ Thus, “the mere association which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion” within the meaning of the CTMR.⁴⁸²

While it can be conceded that likelihood of association is not an alternative to likelihood of confusion, the significance of the former must not be ignored as it serves to define the scope of the latter.⁴⁸³ To prove likelihood of association, one would be required to show that “on account of actual or likely use of the two marks, relevant consumers will be led to believe that the goods of the respective competitors are associated – perhaps because they have some common source – or that one set of goods represent an extension of the product line of the other”.⁴⁸⁴ Thus, establishment of likelihood of association is one step before establishment of likelihood of confusion.

III. Trademark use as a condition for infringement

Apart from a specific instance stipulated in Article 10 of the CTMR, under which the CTM proprietor is entitled to object to generic use of his trademark in

480 See *Wagamama Ltd v City Centre Restaurants plc* [1996] ETMR 307 (HC).

481 Cf. *Three Stripes trade mark* [2002] ETMR 553.

482 ECJ, 11 November 1997, Case C- 251/95, *Sabel BV v. Puma AG* [1997] ECR I-06191, para. 26.

483 ECJ, 11 November 1997, Case C- 251/95, *Sabel BV v. Puma AG* [1997] ECR I-06191, para.18.

484 PHILIPS, J., “Trade Mark Law: a Practical Anatomy” 357 (Oxford University Press, Oxford 2003).