

Origin confusion considerations in the similarity of goods-test

Likelihood of confusion and likelihood
of association as a relevant component
when comparing goods?

Gustav Gierlöff

Department of Law

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Supervisor: Eleonora Rosati

Examiner: Åsa Hellstadius

To my dad, who did not get to see the final product.

And a special thank you to Gordon Humphreys, his family and his colleagues, for a valuable week in Alicante during a strange time, in what came to be an even stranger year.

Abstract

The principle of speciality refers to the reconciliation of trade mark rights with the principle of free movement of goods, by limiting the trade mark's scope of protection to the goods described in the registration, in order to limit the scope to the function of the trade mark. The principle has therefore been described as a corollary to the trade mark's origin function. Origin confusion considerations has however prevented a more strict application of the principle under likelihood of confusion, as the scope of protection not only covers just the goods in the registration, but also covers similar goods. For a likelihood of confusion to arise, there must, i.a., exist a minimum level of similarity of goods. The CJEU has held that the assessment of similarity is carried out by taking all relevant factors relating to the goods into account, including, i.a., their nature, intended purpose, method of use and whether they are in competition or complementary. But the CJEU has never elaborated on why those factors are relevant. The research shows that while all those factors are related to the goods themselves, they are relevant due to origin confusion considerations. All the relevant factors concern surrounding circumstances that may lead consumers to be confused as to the origin of the goods. A similarity assessment under one of the relevant factors requires that a level of abstraction is established and both goods must fall within that abstraction to be deemed similar. While case-law states that a global appreciation of likelihood of confusion must be carried out as soon as there is even a slight similarity among the goods, the research shows that the chosen narrowness of the level of abstraction under the factors are often decisive for finding or rejecting similarity. The levels chosen also seemingly diverges in case-law depending on the type of goods. The thesis argues that origin confusion considerations, including indirect confusion, should to a greater extent affect the level of abstraction assessments, and that the choice of level should not be used as a tool to reintroduce an act of balancing trade mark rights with the principle of free movement of goods, in favour of the latter, with the potential risk of causing detriment to trade marks' origin function.

Abbreviations

AG	Advocate General
BoA	Board of Appeals of EUIPO
CJEU	Court of Justice of the European Union
GC	General Court of the European Union
EEA	European Economic Area
EU	European Union
EUIPO	European Union Intellectual Property Office
EUTM	European Trade Mark
EUTMR	Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark
LoA	Likelihood of association
LoC	Likelihood of confusion

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1 Introduction

1.1 Background

The EU trade mark regulation (EUTMR) has provisions that, in the case of a likelihood of confusion, prevent registrations of new EU trade marks (EUTM) and which declares certain third party use to constitute trade mark infringement.¹ A likelihood of confusion is present if the relevant public may confuse a mark with the registered trade mark as to the commercial origin, if the mark is identical or similar to the trade mark and the goods are identical or similar as those covered by the trade mark registration.²

In the landmark case «Canon», the Court of Justice of the European Union (CJEU) held that when assessing likelihood of confusion, the comparison of goods, when assessing whether the goods are similar or dissimilar, should be carried out by taking all the relevant factors relating to those goods into account.³ The CJEU stated that “*those factors include, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary.*”⁴

This non-exhaustive list of relevant factors begs the questions why those listed factors are relevant, what additional factors may be relevant, as well as on what grounds. The similarity of goods test has, since «Canon» was decided in the

¹ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark [cit. EUTMR] art. 8.1b, art. 9.2b.

² EUTMR art. 8.1b, art. 9.2b, CJEU C-39/97 «Canon» para 26.

³ CJEU C-39/97 «Canon» para 23.

⁴ CJEU C-39/97 «Canon» para 23.

1990's, received little attention with no further significant developments.⁵ It has been questioned whether this is due to that comparing goods is supposedly simpler than e.g. comparing marks, with no need for an in-depth examination of the factors being compared.⁶ A case can however be made for that such a statement can be far from the truth.

Picture the scenario of walking into a supermarket in the Spanish city of Alicante, the home of the European Union Intellectual Property Office (EUIPO), buying a bottle of alcohol bearing a fanciful figurative trade mark. The next day you visit the same supermarket, but this time to buy a different type of alcohol. The second bottle of alcohol is bearing the same fanciful figurative trade mark as the first bottle. While there would be no risk of you confusing the two alcohol products themselves, would you say that there might still be a risk that you would believe that both alcoholic products are produced by the same producer? Or, even if you were to find it unusual that a producer of a certain type of alcohol would be producing also the other type of alcohol, do you think that you might at least risk believing that both products are produced under the approval of a single company controlling that fanciful figurative trade mark?

What if the answer to one of the questions raised above is yes, and what if even empirical evidence would show that the public might be confused as to the commercial origin of these two products, could it still be that EU trade mark law, despite this, preclude the finding of a likelihood of confusion due to a lack of similarity among the goods concerned?

In «Canon», the CJEU also expanded on their earlier reasoning in «Sabel»⁷, that a likelihood of association only amounts to a relevant likelihood of confusion if the association may cause confusion as to the commercial origin of the goods.⁸ The CJEU then held that a likelihood of association will only give rise to a

⁵ Fhima, Ilanah; Gangjee, Dev S., *The Confusion Test in European Trade Mark Law*, Oxford University Press, 1 ed., 2019 [cit. Fhima & Gangjee] p. 106.

⁶ Fhima & Gangjee p. 106.

⁷ CJEU C-251/95 «Sabel».

⁸ CJEU C-39/97 «Canon» para 29-30.

likelihood of confusion if the relevant public might risk believing that the goods in question come from economically-linked undertakings.⁹

But to what extent do the fact that the likelihood of confusion provisions protects against such origin confusion affect the factors relevant to assessing whether the goods are similar or not? Could it even be that a risk that relevant public might believe that the goods in question come from economically-linked undertakings may come to affect the assessment of similarity? And if so, how? And should it?

1.2 Purpose and research questions

The purpose of the research is to critically examine and bring clarity to as to what extent the risk of origin confusion affects and/or should affect the similarity of goods test in the light of trade mark law policy.

To fulfil this purpose, the aim is to answer the following research questions:

- What factors are relevant when assessing similarity of goods in the context of likelihood of confusion, and what origin confusion considerations apply to those factors?
- What is the concept of ‘economically-linked undertakings’ in the context of likelihood of association and what likelihood of association considerations apply in the similarity of goods test?
- Should origin confusion considerations, including likelihood of association affect the similarity of goods test, and at what capacity?

⁹ CJEU C-39/97 «Canon» para 29.

1.3 Method and material

The research has been carried out under the application of the traditional legal dogmatic method, in order to establish the current state of applicable law. The method implies that the right interpretation of the law is sought in the generally accepted sources of law, under the consideration of their generally accepted hierarchy. The findings of the research have also been subject to scrutiny from a *de lege ferenda* perspective.

As the research is limited to EU trade mark law, EU law has been respected and account has been taken to the hierarchy of EU legislation, which is divided into primary law and secondary law.

The main relevant legal source is the EUTMR, which constitutes binding secondary law under EU law, provided that the regulation is not in conflict with primary law or other fundamental EU law rights and principles.

The case-law of the CJEU is also, in principle, binding secondary law and has been treated as such. While subordinate to CJEU case-law, GC case-law has also been treated as binding secondary law, as the GC is the last instance trying the both the facts of the case and applying the law in trade mark cases appealed from EUIPO and must take decisions already taken into account according to the principle of equal treatment.

Since the relevant current rules in the EUTMR is in line with older versions of the EUTMR, and the respective rules in the latest EUTMD and its older versions, older decisions and preliminary rulings by the CJEU on the interpretation of those articles has been treated as still relevant.

While not legally binding, the AG's opinions has been consulted to account for observations of the current state of applicable law, interpretations of case-law and present relevant legal arguments.

While not legally binding, the EUIPO Guidelines has been consulted to account for observations and interpretation of the current state of applicable law and case-law.

Legal literature has been consulted to account for observations of the current state of applicable law, interpretations of case-law and present relevant legal arguments.

1.4 Delimitations

The research of case-law has been limited to decisions by the CJEU and the GC and how those courts have interpreted the EUTMR, as well as the CJEU's preliminary rulings on the interpretation of corresponding articles under current and previous versions of the EUTMD.

Due to the large amount of case-law on likelihood of confusion from the GC, the research has focused primarily on case-law cited in the EUIPO Guidelines and the legal literature and deemed to be representative of the current state of applicable law by those sources. From that selection of case-law, the research concerning the similarity of goods test has focused on a partial number of cases concerning the beverage, fashion, and pharmaceutical sectors. The reason for the choice of these cases, from these sectors, is that they have been considered illustrative of the relevant issues under the similarity of goods test that the research has aimed to address. Consequently, similarity of services and similarity between goods and services has not been addressed in the research.

1.5 Outline

Chapter 2 discusses the underlying principles of EU trade mark law and the concept of likelihood of confusion in general, including likelihood of association.

Chapter 3 discusses the underlying principles of the similarity of goods test in the context of likelihood of confusion, how goods affect the scope of protection under likelihood of confusion as opposed to the enhanced protection for reputed trade marks, the requirements concerning the goods that need to be met in order to invoke the likelihood of confusion protection, what factors are relevant when assessing the similarity of goods, and what direct origin confusion considerations are taken and should be taken into account when assessing similarity.

Chapter 4 discusses what amounts to a relevant likelihood of association by examining what the concept of ‘economically-linked undertakings’ implies and discusses how likelihood of association affects or should affect the similarity of goods test.

Chapter 5 discusses how likelihood of confusion (direct confusion) and likelihood of association (indirect confusion) affects and should affect the applied level of abstraction when goods are compared under the individual relevant similarity factors.

2 The likelihood of confusion rules

2.1 Trade mark law rationale

The CJEU has repeatedly reiterated that trade mark rights are an essential element in the system of undistorted competition, which EU law seeks to establish and maintain.¹⁰ Such a desired system of healthy competition requires that companies can attract and retain customers through the quality they provide in their products.¹¹ That is possible only if there are distinctive marks which enables customers to identify those products and that offers a guarantee that they have been produced under the control of a single undertaking that may be held accountable for their quality.¹² Such identifiers of the commercial origin enables the consumer who has acquired goods to, at a later purchase, repeat the experience if the last one proved to be positive or to avoid it if it was negative.¹³ Without such identifiers of a commercial source, consumers are less protected from being deceived into purchasing undesired products as prior product experiences had by an individual, their family members or friends could not be used to make an informed buying decision in the future.¹⁴

¹⁰ CJEU C-10/89 «Hag II» para 13, CJEU C-206/01 «Arsenal» para 47, CJEU C-291/16 «Schweppes» para 36, CJEU C-371/18 «Skykick» para 74.

¹¹ CJEU C-10/89 «Hag II» para 13, CJEU C-206/01 «Arsenal» para 47, CJEU C-291/16 «Schweppes» para 36, CJEU C-371/18 «Skykick» para 74.

¹² CJEU C-10/89 «Hag II» para 13, CJEU C-206/01 «Arsenal» para 48, CJEU C-291/16 «Schweppes» para 36, CJEU C-129/17 «Mitsubishi» para 35, Kur, Annette; Senftleben, Martin, *European Trade Mark Law: A commentary*, OUP Oxford, 1 ed., 2017 [cit. Kur & Senftleben] p. 8-9

¹³ CJEU C-653/17 «VM Vermögens-Management» para 85-87.

¹⁴ Kur & Senftleben p. 7-8.

In such a scenario the choice and quality of the products offered to consumers could come to decline due to the fact that a decision to lower the quality standard in the offered products, and the customer's subsequent poor experience, would have limited effects on future success, as the ability of tracing the products back to a specific origin would be lost.¹⁵ It has been claimed that companies would choose to produce products with the cheapest possible unobservable qualities, as high levels of unobserved qualities would not alter the ability to still sell the products at a high price, which would bring in higher profits.¹⁶ With the trade mark as an identifier, the trade mark proprietors have an incentive to produce quality products as the consumers will have less, so called, search costs to find good products, if they have the option to repurchase products bearing a trade mark after a good past experience. In this context, the essential function of a trade mark has been held to be to guarantee the origin of the goods bearing a mark to the consumers, by enabling them, without any possibility of confusion, to distinguish the goods from the goods of another origin.¹⁷

That essential function is accordingly intertwined in EU trade mark law through the trade mark registration requirement that a trade marks must be capable of distinguishing the goods from one undertaking from those of other undertakings, to be eligible for registration.¹⁸ Signs which lack a distinctive character lack the ability to fulfil the essential function of the mark as a guarantee of origin.¹⁹ However, for the essential function of guaranteeing the origin of the goods to function properly, the system must not just prevent trade mark registrations, but also prevent any possibility of confusion as to the origin of goods put on the market by third parties, by granting exclusive rights.

¹⁵ Kur & Senfleben p. 8.

¹⁶ Kur & Senfleben p. 8.

¹⁷ CJEU C-206/01 «Arsenal» para 48, CJEU C-291/16 «Schweppes» para 37, CJEU C-371/18 «Skykick» para 74.

¹⁸ EUTMR art. 4, 7.1a.

¹⁹ Hasselblatt, Gordon N. (edited by), *European Union Trade Mark Regulation: A Commentary*, Beck/Hart, 2 ed., 2018 [cit. Hasselblatt] p. 100.

For the guarantee of origin to be ensured the proprietor must therefore also be protected against competitors using marks that jeopardise that guarantee and wish to take unfair advantage of the status and reputation of the trade mark by selling products illegally bearing it.²⁰

The essential function of a trade mark would be undermined if a third party could use a mark on their goods and risk that the consumers are not able to differentiate the origin of these goods from goods which has been produced under the control of the trade mark proprietor, that would risk that the trade mark proprietor is held “responsible” for the poor quality of goods for which he was in no way accountable.²¹ A trade mark must offer the guarantee that all the goods bearing it have originated under the control of a single undertaking which is responsible for their quality, for the essential function to be fulfilled.²²

Consequently, it is the specific subject-matter of a trade mark to, in particular, guarantee to the trade mark proprietors that the trade mark registration confers an exclusive right in relation to certain goods, that allows the trade mark proprietor to monopolize the trade mark for an unlimited period.²³

A primary purpose of EU trade mark law is consequently to prevent undistorted competition, by providing the trade mark proprietors with rights and remedies, through tests for infringement of the trade mark that in particular protect the trade mark’s function as an indication of origin.²⁴

As stated in the EUTMR, the exclusive rights conferred on the trade mark proprietor includes the right to prevent third parties from using a sign if the sign is:²⁵

²⁰ CJEU C-291/16 «Schweppes» para 37.

²¹ CJEU C-10/89 «Hag II» para 16, CJEU C-9/93 «IHT» para 45.

²² CJEU C-39/97 «Canon» para 28.

²³ CJEU C-349/95 «Loendersloot» para 22, CJEU C-104/01 «Libertel» para 49.

²⁴ Muyldermans & Maeyaert, Jeroen; Maeyaert, *Likelihood of Confusion in Trade Mark Law: A Practical Guide to the Case-law of EU Courts*, Wolters Kluwer, 1 ed., 2019 [cit. Muyldermans & Maeyaert] p. xi.

²⁵ EUTMR art. 8.1, 8.5, 9.2.

- identical with the trade mark and is used in relation to goods which are identical with those for which the EU trade mark is registered (*double identity*).
- identical or similar and is used in relation to goods which are identical or similar, if there exists a likelihood of confusion on the part of the public.
- identical or similar and is used without due cause in relation to goods which are identical, similar or dissimilar, if the trade mark has a reputation in the Union and the use would take unfair advantage of or be detrimental to the distinctive character or the repute (*enhanced protection*).

These distinct exclusive rights has been conferred on the trade mark proprietors in order to enable them to protect their specific interests as proprietors, while those interests may however differ depending on the specific right concerned.²⁶ Though, those rights and powers which are granted upon a trade mark proprietor must also be considered in the light of the system's objective to maintain a system of undistorted competition.²⁷ Therefore a trade mark proprietor's rights are not unconditional, since in the light of the purpose of EU trade mark law a balance must be struck between the interests of, on the one hand, trade mark proprietors, in safeguarding the essential function of its trade mark, and on the other, the interests of other economic operators in having signs capable of distinguishing their goods.²⁸ Such a need for a balance has given rise to such rules as the possibility to revoke a trade mark that has not been subject to genuine use for a period of five years and the need of taking competitors need to keep colour marks free for use into account when assessing distinctiveness of such marks.²⁹

²⁶ CJEU C-206/01 «Arsenal» para 51, CJEU C-20/14 «BGW» para 26.

²⁷ CJEU C-104/01 «Libertel» para 48.

²⁸ CJEU C-145/05 «Levi Strauss» para 29, CJEU C-65/12 «Leidseplein Beheer» para 41.

²⁹ CJEU C-145/05 «Levi Strauss» para 28-39.

2.2 Likelihood of confusion in general

The test for likelihood of confusion has been called the most appealing and enigmatic infringement test.³⁰ But apart from that the legislation clarifies that a likelihood of confusion includes the likelihood of association, it does not provide any further details as to what likelihood of confusion implies, when it arises or when signs and goods are considered identical or similar. In CJEU case-law, a likelihood of confusion has been defined as a situation where there is a risk that the public might believe that goods come from the same or economically-linked undertakings.³¹ Consequently, a likelihood of confusion is not merely a risk that two products are confused, that the location of production is confused, or that the visual appearance of two signs are confused, but it is an overall assessment of whether there is a risk of confusion as to the commercial origin of products bearing marks.³² To assess whether such confusion is present, a global appreciation must be made, where all relevant factors must be taken into account in the individual case at hand.³³

The global appreciation of whether a likelihood of confusion is present among the relevant public is made from the perception of an average consumer of the category of products concerned. The average consumer is deemed to be a reasonably well-informed and reasonably observant and circumspect person.³⁴ The average consumer is thus a legal construct, which in the specific case will be the result of empirical assumptions and normative elements related to that case.³⁵

The primary purpose of the likelihood of confusion protection is to prevent a registered trade mark from not being able to fulfil its function as a guarantee of

³⁰ *Muyldermans & Maeyaert* p. xi.

³¹ CJEU C-39/97 «Canon» para 29.

³² CJEU C-39/97 «Canon» para 29.

³³ CJEU C-251/95 «Sabel» para 22, CJEU C-39/97 «Canon» para 16, CJEU C-342/97 «Lloyd» para 18.

³⁴ CJEU C-342/97 «Lloyd» para 26.

³⁵ *Kur & Senfleben* p. 331-332.

the origin of the product bearing the mark.³⁶ According to the CJEU this is possible only if:

“the consumer or end-user is enabled, without any possibility of confusion, to distinguish the product from others which have another origin and thus offers the consumer a guarantee that all the goods or services bearing it have been manufactured and supplied under the control of a single undertaking to which responsibility for their quality may be attributed”³⁷

The function of guaranteeing the quality of the goods has therefore been claimed to go hand in hand with the origin function³⁸ Traces of the origin function’s direct connection to the quality function can also be traced back to early CJEU trade mark case-law.³⁹ And it has therefore even been claimed that it is apparent that the quality function can be regarded as part of the origin function.⁴⁰ The CJEU has later explicitly confirmed some additional relevant functions of a trade mark, such as communication, investment and advertising functions.⁴¹ These additional functions are relevant due the recognition of a trade mark’s role in contemporary business life, where trade marks often acquire an independent economic value as a brand and are used to communicate a wider message that just the origin of the goods.⁴²

The protection against double identity infringement and the enhanced protection is conferred in order to enable the trade mark proprietor to protect its specific interests, which in that context is to ensure that the trade mark can fulfil all those functions, in plural, while the protection against likelihood of confusion is intended to only protect the proprietor’s interests in the sense that

³⁶ CJEU C-20/14 «BGW» para 26.

³⁷ CJEU C-102/77 «Hoffman-La Roche» para 7, CJEU C-206/01 «Arsenal» para 48, AG C-418/02 «Praktiker» para 46.

³⁸ AG C-46/10 «Viking Gas» para 45, Hasselblatt p. 395.

³⁹ CJEU C-10/89 «Hag II» para 16, CJEU C-9/93 «IHT» para 45.

⁴⁰ AG C-337/95 «Evora» para 41.

⁴¹ CJEU C-487/07 «L’Oreal» para 58.

⁴² Hasselblatt p. 394

it must be ensured that the trade mark can fulfil its essential function as a guarantee that the trade mark is an indication of origin.⁴³ Thus, while all trade marks are capable of having functions other than an origin function, a likelihood of confusion requires that the origin function is adversely affected.⁴⁴ An adverse affect on the other accessory functions, such as guaranteeing the quality of the goods and those of communication, investment or advertising, while relevant, are therefore only indirectly protected under the likelihood of confusion protection, if the origin function is affected and thus allows the trade mark proprietor to enforce its right.⁴⁵

2.3 The relevant factors for assessing LoC

2.3.1 Similarity of the signs

The wording of the likelihood of confusion provisions state that identical or similar signs for identical or similar goods are relevant to the assessment. When comparing the marks, it is the average consumer's overall impression of the marks which is decisive, as the average consumer is deemed to normally perceive a mark as a whole and does not proceed to analyse the various details of a mark.⁴⁶ The average consumer also only rarely has the chance to make a direct comparison between different marks but must rely on an imperfect recollection of the marks.⁴⁷ The average consumer's overall impression is therefore rarely fully accurate. The level of attention may however vary according to the category of goods concerned.⁴⁸ Because of this, an average consumer of certain goods, for

⁴³ CJEU C-206/01 «Arsenal» para 51, CJEU C-20/14 «BGW» para 26.

⁴⁴ CJEU C-323/09 «Interflora» para 40, CJEU C-179/15 «Daimler» para 27.

⁴⁵ Hasselblatt p. 232

⁴⁶ CJEU C-251/95 «Sabel» para 23, CJEU C-342/97 «Lloyd» para 25-26.

⁴⁷ CJEU C-342/97 «Lloyd» para 26.

⁴⁸ CJEU C-342/97 «Lloyd» para 26.

example more expensive and specialised goods, may pay more attention to the details of the signs and thus be able to recall a more accurate picture of the marks.⁴⁹

This means that for signs composed of several elements (composite marks), the elements of the signs should not be compared one by one.⁵⁰ However, this does not mean that the average consumer's overall impression cannot be more influenced by certain elements of a sign, which may therefore dominate the overall impression.⁵¹ This is why the CJEU held in «Sabel» that when determining the degree of similarity between the marks, their distinctive and dominant components should be taken into consideration in particular.⁵² This does however not mean that non-distinctive elements should be disregarded.⁵³ The CJEU has held that it is only negligible elements can be completely disregarded in the overall assessment, as only negligible elements fully escapes the average consumer's overall impression of a sign.⁵⁴ And as elements cannot be regarded as negligent solely because the element could be deemed as lacking a distinctive character on its own, those will often be included in the average consumer's overall impression of a sign as well.⁵⁵ An elements final importance in regard to the average consumer's overall impression will not only be dependent on its distinctiveness, but also such factors as the elements position and size in a composite mark is relevant.⁵⁶ This is due to the fact that when assessing the average consumer's overall impression, it is the average consumers ability to remember elements of a trade mark which is relevant and the average consumer is not precluded from remembering elements of a sign just because they would

⁴⁹ CJEU C-412/05 «Alcon» para 66, C-361/04 P «Picasso» para 39.

⁵⁰ CJEU C-3/03 P «Matratzen Concord» para. 32-33, CJEU C-334/05 P «Shaker» para 41

⁵¹ CJEU C-3/03 P «Matratzen Concord» para 32, CJEU C-334/05 P «Shaker» para 41.

⁵² CJEU C-251/95 «Sabel» para 23.

⁵³ CJEU C-422/12 P «Industrias Alen» par 44, CJEU C-579/08 P «Messer» para 72.

⁵⁴ CJEU C-334/05 P «Shaker» para 42, CJEU C-254/09 P «Calvin Klein» para 56, CJEU C-193/06 P «Quicky» para 43, Kur & Senftleben p. 226.

⁵⁵ CJEU C-422/12 P «Industrias Alen» par 44, CJEU C-579/08 P «Messer» para 72.

⁵⁶ CJEU C-190/15 P «solidfloor» para 26, CJEU C-182/14 P «Magnext» para 34.

lack distinctiveness on their own. An element's position and size could just as well make an impression on the average consumer.⁵⁷

The similarity of signs test is done by determining the degree of visual, aural or conceptual similarity between the marks.⁵⁸ While the visual, aural and conceptual assessment can hardly be summarised in just a few sentences, a condensed description is that:

The visual assessment is done through a visual examination of the respective elements of a mark. Depending on what type of signs that are subject to comparison, different factors may be of different importance. The focus is often on factors such as letters, numbers, shapes, colours, positions, and sizes.⁵⁹

The aural assessment is made by assessing how the relevant public would pronounce the sign.⁶⁰ The main factors for the assessment of the phonetic similarity are the number of syllables and the syllables pronunciation, including the occurrence, quantity and sequence of vowels and consonants.⁶¹

The conceptual similarity assessment is done through an assessment of what conceptual idea that a mark invokes in the average consumer's mind. A conceptual similarity exists if two marks give rise to the same meaning as a result of the semantic content communicated by the marks.⁶²

An overall degree of similarity does not require a degree of similarity under all three categories.⁶³ Several forms of marks do also not allow an assessment to be made in all the three categories.⁶⁴ A minimum degree of similarity will therefore as a rule be present if there is similarity in at least one of the three categories.⁶⁵ If there is a similarity in more than one of the categories, the overall similarity will

⁵⁷ CJEU C-190/15 P «solidfloor» para 26, CJEU C-20/14 «BGW» para 28.

⁵⁸ CJEU C-251/95 «Sabel» para 23, CJEU C-342/97 «Lloyd» para 27.

⁵⁹ Hasselblatt p. 250, 366-367.

⁶⁰ Hasselblatt p. 253-254.

⁶¹ Hasselblatt p. 254.

⁶² Hasselblatt p. 256-257.

⁶³ CJEU C-328/18 P «Equivalenza Manufactory» para 77, Kur & Senftleben p. 224.

⁶⁴ Hasselblatt p. 245.

⁶⁵ CJEU C-328/18 P «Equivalenza Manufactory» para 77, Kur & Senftleben p. 224.

be considered to be of a greater degree, which may be of significance in the subsequent global appreciation of whether there is a likelihood of confusion.⁶⁶

However the CJEU has held that a minimum degree of similarity could be lacking in the exceptional case that at least one of the signs is immediately perceived by the relevant public as having a clear and specific meaning, where such conceptual dissimilarity may counteract any phonetic and visual similarities.⁶⁷ A similarity within one of the categories is thus never a guarantee that an overall minimum degree of similarity of is present.

There is no general rule giving any of the three similarity categories more relevance than the others in the overall assessment. Their importance in the specific case must be assessed by taking into account of the category of goods in question and the circumstances in which they are marketed.⁶⁸ For example, for goods that are usually ordered vocally, an aural similarity may be given more weight.⁶⁹ Their importance is however something that is to be assessed under the global appreciation of likelihood of confusion and not whether there is a minimum degree of similarity.⁷⁰ The CJEU has however held that a conceptual similarity alone cannot be enough to cause a likelihood of confusion, unless the trade mark has an increased level of distinctiveness.⁷¹ There are nevertheless cases that illustrates that the average consumer's imperfect visual recollection of signs can result in blurring of the boundaries between what is merely a conceptual similarity and what may be considered a visual similarity.⁷²

⁶⁶ Kur & Senfileben p. 224.

⁶⁷ CJEU C-328/18 P «Equivalenza Manufactory» para 74-75.

⁶⁸ CJEU C-342/97 «Lloyd» para 27.

⁶⁹ Bently, Lionel; Sherman, Brad; Gangjee, Dev; Johnson, Phillip, Intellectual Property Law, OUP Oxford, 5 ed., 2018 [cit. Bently] p. 1035.

⁷⁰ CJEU C-328/18 P «Equivalenza Manufactory» para 73.

⁷¹ CJEU C-251/95 «SABEL» para 24-25.

⁷² GC T-548/17 «Anokhi» para 36-40.

2.3.2 Similarity of the goods

In assessing whether the goods are similar, the CJEU held in «Canon» that all relevant factors relating to the goods must be taken into account. Those factors were held to be *inter alia* the nature of the goods, the intended purpose of the goods, their method of use and whether the goods are in competition with each other or are complementary.⁷³ The listed factors are at times referred to as the “Canon-factors”.⁷⁴ But as the factors listed in «Canon» are clearly not exhaustive, also other factors may be relevant if relating to the goods.⁷⁵ The GC has held that also such factors as the good’s distribution channels, sales outlets and whether goods have a usual origin may be relevant factors that should be considered.⁷⁶

The similarity of goods test will be further addressed in chapters 3, 4 and 5.

2.3.3 Other relevant factors²

Except for the similarity of the signs and the goods, the wording of the provisions in the legislation does not provide any further indications as to what other factors may be relevant when assessing likelihood of confusion. The CJEU has however held that also the degree of the distinctive character of the earlier trade mark should be taken into consideration, and in particular its reputation.⁷⁷ The distinctive character may however not be taken into account when assessing the similarity of the signs or the similarity of the goods.⁷⁸

⁷³ CJEU C-39/97 «Canon» para 23.

⁷⁴ Davis, Richard; St Quintin, Tom; Tritton, Guy, Tritton on Intellectual Property in Europe, Sweet & Maxwell, 5 ed., 2018 [cit. Tritton] p. 371.

⁷⁵ GC T-443/05 «El Corte Ingles» p. 37.

⁷⁶ GC T-443/05 «El Corte Ingles» p. 37, GC T-388/00 «ELS» para 55-56.

⁷⁷ EUTMR recital 11, CJEU C-39/97 «Canon» para 24.

⁷⁸ CJEU C-558/12 P «WeserGold» para 42, CJEU C-196/06 P «Alecansan» para 37.

The CJEU has held that the higher the distinctive character of the earlier mark, the higher the risk of a likelihood of confusion.⁷⁹ Consequently, trade marks with a higher distinctive character, either inherent or acquired, will have a broader scope of protection than marks with a lower distinctive character.⁸⁰ It is however clear that while a higher distinctive character has been held to increase the risk of a likelihood of confusion, it does not mean that a lack of a high distinctive character would in itself rule out a likelihood of confusion, in particular if the similarity between the signs and between the goods are high.⁸¹

It could seem contradictory that the CJEU has held that the higher the distinctive character of the earlier mark, the higher the risk of a likelihood of confusion, as there is empirical evidence pointing to the contrary.⁸² Some have therefore argued that the CJEU's position that a trade mark with a higher distinctive character would increase the likelihood of confusion appears is a policy-based normative approach in order to give stronger trade marks a greater protection.⁸³ Others have instead argued that CJEU's position that a trade mark with a higher distinctive character would increase the likelihood of confusion follows from the increased risk that the relevant public may come to assume that the goods bearing a similar sign is economically-linked to the trade mark proprietor.⁸⁴

The latter argument is more in line with that the CJEU has explicitly held that the likelihood of confusion assessment should be assessed only on the basis of how the average consumer perceives the signs, and cannot be subject to normative influences that does not comply with the average consumer's perception.⁸⁵ Whether normative elements may affect the assessment has been

⁷⁹ CJEU C-251/95 «Sabel» para 24, CJEU C-342/97 «Lloyd» para 20.

⁸⁰ CJEU C-252/12 «Specsavers» para 36, CJEU C-342/97 «Lloyd» para 20.

⁸¹ CJEU C-43/15 P «Compressor technology» para 62-63.

⁸² Kur & Senftleben p. 326

⁸³ Kur & Senftleben p. 326

⁸⁴ Hasselblatt p. 407.

⁸⁵ CJEU C-102/07 «Marca Mode II» para 29-30, CJEU C-43/15 P «Compressor technology» para 65, Hasselblatt p. 407.

tried in regard to the argument that a likelihood of confusion should be ruled out in a situation where competitors have a need to keep signs and elements of signs free for all. The argument is especially relevant in situations where a likelihood of confusion would exist when a sign and a trade mark only have a descriptive or non-distinctive element in common.⁸⁶ It was argued that the need to keep free should justify a more narrow scope of protection that does not include the element that needs to be kept free, or otherwise the trade mark proprietor would receive a monopoly on the descriptive or non-distinctive element, which would be contradictory to trade mark law rationale of only providing protection to distinctive marks.⁸⁷ However, the CJEU has repeatedly affirmed that two marks that only correspond in an element which would lack distinctiveness on its own can cause a likelihood of confusion.⁸⁸ The public's and the competitors' interests in keeping elements free for all to use is not a relevant factor in the likelihood of confusion assessment and therefore cannot influence the overall assessment and determination of the scope of protection.⁸⁹ The likelihood of confusion assessment should be assessed only on the basis of how the average consumer perceives the signs.⁹⁰

The CJEU Grand Chamber has also clarified that the likelihood of confusion assessment does not allow for a balancing of interests of this kind. What should be free for to all to use is instead something which is subject to the assessment under the absolute ground for refusal and invalidity, even if the absence of such a normative notion would lead to an extensive exclusive right.⁹¹ The underlying interests when assessing the scope of protection in relation to the likelihood of confusion assessment is therefore the interests of the trade mark proprietor.⁹²

⁸⁶ E.g. CJEU C-43/15 P «Compressor technology», CJEU C-42/12 P «Alpine».

⁸⁷ CJEU C-43/15 P «Compressor technology» para 47-48.

⁸⁸ CJEU C-43/15 P «Compressor technology» para 65, 71, CJEU C-42/12 P «Alpine» para 64, Bently p. 1038.

⁸⁹ CJEU C-43/15 P «Compressor technology» para 65.

⁹⁰ CJEU C-102/07 «Marca Mode II» para 29-30, CJEU C-20/14 «BGW» para 26-28.

⁹¹ CJEU C-43/15 P «Compressor technology» p. 65.

⁹² CJEU C-20/14 «BGW» para 26, CJEU C-705/17 «Hansson» para 35.

But as the average consumer and its perception is fictional and the definition of the relevant public is the result of empirical assumptions, some normative influences may come to influence the likelihood of confusion test after all to some extent.

2.3.4 The global appreciation of likelihood of confusion

As the terminology suggests, there is no requirement that the relevant public will be confused. It is enough that there is a likelihood of such confusion. While the term ‘likelihood’ indicates a probability of confusion, it has been interpreted as a requirement of a possibility of confusion.⁹³ It is thus not a question of likely in the sense of more probable than not, but whether the risk of confusion is sufficiently substantiated to warrant an intervention. It is not enough that confusion is hypothetical and remote or that there is a mere inability to rule out the possibility of confusion.⁹⁴ It will also not be sufficient that the risk only concerns a minority of the relevant public, but the risk must relate to an enough significant proportion of the relevant public.⁹⁵

As the likelihood of confusion assessment relies on a global appreciation of a range of factors, there is some interdependence between those factors, and in particular, but not limited to, the degree of similarity between the signs, the similarity between the goods and the recognition of the trade mark on the market.⁹⁶ This means that if the goods are not very similar to each other, this may be offset by the signs being identical or very similar to each other, or vice versa.⁹⁷ This is sometimes referred to as the rule of interdependence⁹⁸ or interdependency

⁹³ Bently p. 1045.

⁹⁴ Bently p. 1045.

⁹⁵ CJEU C-323/09 «Interflora» para 50.

⁹⁶ EUTMR recital 11, CJEU C-251/95 «SABEL» para 22, CJEU C-342/97 «Lloyd» para 19-20.

⁹⁷ CJEU C-39/97 «Canon» para 17, CJEU C-342/97 «Lloyd» para 19.

⁹⁸ Hasselblatt p. 402

principle⁹⁹. There must however exist a minimum degree of similarity of signs and a minimum degree of similarity of goods, cumulatively, to allow for a likelihood of confusion to arise.¹⁰⁰ It does not matter if the mark has a high distinctive character.¹⁰¹ The factors of similarity cannot be disregarded in favour of the distinctive character.¹⁰² There can also not be any presumption of a likelihood of confusion just because the marks are similar and the earlier mark has a high degree of acquired distinctive character.¹⁰³ It is therefore only if the signs and the goods are at least similar to a minimum degree, where an overall concluding assessment of whether a likelihood of confusion exists has to be made. But if there is no minimum level of similarities, there is also not possible to proceed to the global appreciation of likelihood of confusion.

2.3.5 Likelihood of association in general and relation to confusion

While the legislation clarifies that a likelihood of confusion includes the likelihood of association, it was for some time unclear what role likelihood of association had and how it was to be interpreted.¹⁰⁴ The concept of association was derived from Benelux trade mark law, where association was deemed enough for trade mark infringement even if a likelihood of confusion had not been substantiated.¹⁰⁵ The inclusion of the association concept in EU trade mark law led to the preliminary reference to the CJEU from Germany in «Sabel», regarding what the wording of the provision meant and whether EU trade mark law was fully modelled after the Benelux approach. The Benelux countries submitted that

⁹⁹ Bently p. 1032.

¹⁰⁰ CJEU C-106/03 P «Vedial» para 51, CJEU C-234/06 P «Bainbridge» para 48.

¹⁰¹ CJEU C-558/12 P «WeserGold» para 42, CJEU C-196/06 P «Alecansan» para 37.

¹⁰² CJEU C-43/15 P «Compressor technology» para 64.

¹⁰³ CJEU C-425/98 «Marca Mode» para 32-33.

¹⁰⁴ E.g. CJEU C-251/95 «Sabel», CJEU C-425/98 «Marca Mode».

¹⁰⁵ AG C-251/95 «Sabel» para 35, 42, Cohen Jehoram, Tobias; Van Nispen, Constant; Huydecoper, Tony, *European Trademark Law: Community Trademark Law and Harmonized National Trademark Law*, 1 ed., 2010 [cit. Cohen Jehoram] ch. 8.7.1.

it had been an intention to include their concept of ‘association’ when the legislation was adopted and that the concept thus had to be interpreted according to its Benelux meaning, where a likelihood of association could arise if:¹⁰⁶

- the public confuses the sign and the mark in question (direct confusion);
- the public makes a connection between the proprietors of the sign and those of the mark, and confuses the two (indirect confusion);
- the public considers the sign to be similar to the mark and the perception of the sign calls to mind the memory of the mark, although the two are not confused (likelihood of association in the strict sense).

The third scenario standing out from the other two in the sense that the origin function would not be affected, and no actual origin confusion would be present.¹⁰⁷

The Advocate General concluded in his opinion that while the Benelux concept of association covered non-origin related association, EU trade mark law did not.¹⁰⁸ The CJEU followed the AG’s opinion and dismissed the argument for *mere association (likelihood of association in the strict sense)*, where the public only considers the signs to be similar and where the perception of the sign calls to mind the memory of the other mark, without actually confusing the origin of the two.¹⁰⁹ CJEU held that such an association would not amount to confusion and the interpretation of the provision did not mean that a mere association should be treated as a case of likelihood of confusion.¹¹⁰ The wording of the provision could not be interpreted as likelihood of association being an alternative to likelihood of confusion, but the concept simply serves to define its scope.¹¹¹ The

¹⁰⁶ CJEU C-251/95 «Sabel» para 14-17.

¹⁰⁷ CJEU C-251/95 «Sabel» para 16.

¹⁰⁸ AG C-251/95 «Sabel» para 44.

¹⁰⁹ CJEU C-251/95 «Sabel» para 26.

¹¹⁰ CJEU C-251/95 «Sabel» para 26.

¹¹¹ CJEU C-251/95 «Sabel» para 18.

provision is thus not applicable where there is no likelihood of confusion on the part of the public, with the result that a relevant likelihood of association would still require an actual case of likelihood of confusion. This conclusion by the CJEU would however in itself lead to the question when a relevant likelihood of association would then be present.

In «Canon», the CJEU came to clarify that while a relevant likelihood of association also requires that the public are confused as to the commercial origin of the goods, such confusion arises when they risk believing that the goods in question come from economically-linked undertakings (indirect confusion).¹¹² This approach meant that the argument by one of the parties in the latter case «Marca Mode», that mere association together with a high distinctive character should amount to a presumption of likelihood of confusion even if no likelihood of confusion had been substantiated, was also rejected by the CJEU.¹¹³

But, while mere association in itself is not relevant in regard to likelihood of confusion, it is directly relevant to the enhanced protection afforded to reputed marks. The enhanced protection against dilution, tarnishment and free-riding is actionable if the relevant public associates a sign with a trade mark if a similarity among the signs by the perception of the sign calls to mind the memory of the other mark and thus establishes a link between them in the mind of the public, even though there is no confusion.¹¹⁴

So, while the enhanced protection thus has only one step in the association assessment – an assessment of whether there is *mere association* or *association in the strict sense*, a relevant likelihood of association in the context of likelihood of confusion requires a second step of assessing whether that association ends at merely creating a mental link between the two signs, or whether the public also may be confused as to whether the goods in question come from an undertaking economically-linked to the trade mark proprietor.

¹¹² CJEU C-39/97 «Canon» para 29.

¹¹³ CJEU C-425/98 «Marca Mode» para 41.

¹¹⁴ CJEU C-375/97 «General Motors» para 23.

3 The similarity of goods test and direct confusion considerations

3.1 Principle of speciality

The two essential components of a trade mark registration is the representation of the trade mark and the list of the goods for which registration has been sought, as they both help define the subject-matter of the protection conferred by the trade mark.¹¹⁵ The fact that the exclusive right afforded to the trade mark proprietor is linked to the goods for which the trade mark has been registered for is sometimes referred to as the *principle of speciality*¹¹⁶ or the *speciality rule*.¹¹⁷ The scope of protection of a trade mark is therefore directly connected to what goods the registration can be determined to cover. The only decisive factor for what the registration is determined to cover is the description of the goods chosen by the trade mark proprietor.¹¹⁸ This means that factors such as e.g. the nature of the goods and their intended use cannot be used to interpret the description in an expansive way, to provide for a broader scope of protection.¹¹⁹ However such factors can be used to interpret the description in a restrictive manner, where the Nice classification class may indicate what type of goods a description refers to.¹²⁰ Goods may therefore not be regarded as identical simply because they have an

¹¹⁵ AG C-307/10 «IP Translator» para 52.

¹¹⁶ AG C-418/02 «Praktiker» para 47.

¹¹⁷ AG C-307/10 «IP Translator» para 52.

¹¹⁸ GC T-446/07 «Royal Appliance» para 29, Muyltermans & Maeyaert p. 100.

¹¹⁹ GC T-446/07 «Royal Appliance» para 29-30, Muyltermans & Maeyaert p. 100.

¹²⁰ Muyltermans & Maeyaert p. 99.

identical literal description, if they due to their e.g. nature, purpose or method of use are found in different classes.¹²¹

It also follows from the principle of speciality that competent authorities and economic operators must be able to identify the goods with sufficient clarity and precision on the basis of the specification in the registry alone, to determine the extent of the trade mark's protection.¹²² An effect of the principle can be observed in «IP Translator», where the CJEU held that the reference to a class headings in the Nice Classification system is not in itself a clear and precise enough description to include all the goods included in that class, as it depends on the clarity and precision of each class heading.¹²³ A lack of sufficient clarity and precision is however not intrinsically a ground for invalidation of an already registered trade mark.¹²⁴ An approved trade mark registration for goods that lack sufficient clarity and precision could however come to lack the enforceability envisioned by the trade mark proprietor due to the fact that a scope of protection cannot be determined or is limited compared to what was envisioned at the time of application. Such a trade mark registration could also come to be subject to revocation for that specification after 5 years, due to a lack of genuine use of specific goods.¹²⁵

For goods not covered by the scope of protection of the trade mark, an identical mark may thus be registered and/or used by a third party without the trade mark proprietor being able to object to such use. Consequently, the principle of specialty may “force” the trade mark proprietor to “share” their mark with third parties for goods outside the scope of protection.¹²⁶

¹²¹ Muyltermans & Maeyaert p. 99.

¹²² CJEU C-307/10 «IP Translator» para 56.

¹²³ CJEU C-307/10 «IP Translator» para 54.

¹²⁴ CJEU C-371/18 «Skykick» para 71.

¹²⁵ CJEU C-371/18 «Skykick» para 68-70.

¹²⁶ Fhima, Ilanah (edited by), *Trade Mark Law and Sharing Names*, Edward Elgar Publishing, 1 ed., 2009 [cit. Fhima (2009)] p. 101.

The principle of speciality hereby seeks to reconcile the exclusive rights conferred by a trade mark with the principle of free movement of goods.¹²⁷ The principle requires that the rights conferred by the trade mark to be defined with precision in order to limit the exclusive rights to the actual function of the trade mark.¹²⁸ The principle has therefore been described as a corollary to the essential function of the trade mark.¹²⁹ However, contrary to the principle of speciality, the enhanced protection provides protection also for dissimilar goods, to protect the investments and image of reputed marks.¹³⁰ But this raises the question why likelihood of confusion provides protection against not just identical goods, but also similar goods, if a mark has no reputation and may not even have been taken in use by the trade mark proprietor.¹³¹

Regarding that the likelihood of confusion provision also covers similar signs and not just identical signs is arguably more straight forward. As noted in chapter 2.3.1, the average consumer is deemed to have an imperfect recollection of signs and the trade mark proprietor has no chance to register all similar variations of a sign, to be able to protect the origin function of their specific mark. But, with goods however, the trade mark applicant can more easily chose among categories of goods and pick exactly for what group of goods protection is needed and desired. As the principle of speciality refers to the scope of protection being limited to the goods that can be determined by the trade mark registration, why is it then that the likelihood of confusion provision is not limited to those specific goods chosen, but also come to include similar goods not directly covered by the trade mark registration? Little attention seems to have been addressed towards why. However, in «IHT» the CJEU stated that:

¹²⁷ AG C-307/10 «IP Translator» para 56.

¹²⁸ AG C-307/10 «IP Translator» para 56.

¹²⁹ AG C-418/02 «Praktiker» para 47.

¹³⁰ AG C-252/07 «Intel» para 8-13.

¹³¹ E.g. CJEU C-654/15 «Länsförsäkringar».

“It is common ground that the right of prohibition stemming from a protected trade mark, whether protected by registration or on some other basis, extends beyond the products, for which the trade mark has been acquired. The object of trade-mark law is to protect owners against contrivances of third parties who might seek, by creating a risk of confusion amongst consumers, to take advantage of the reputation accruing to the trade mark [...] That risk may arise from the use of an identical device for products different from those for which a trade mark has been acquired (by registration or otherwise) where the products in question are sufficiently close to induce users seeing the same device on those products to conclude that the products come from the same undertaking. Similarity of the products is thus part of the concept of risk of confusion and must be assessed in relation to the purpose of trade-mark law”¹³²

The statement indicates that the reason why the likelihood of confusion protection extends also to similar goods is that it is necessary for the origin function of a trade mark to be properly protected. This is also consistent with earlier national trade mark law in some EU Member States such as Germany and Sweden, where the protection of likelihood of confusion included also similar goods with the underlying interest of protecting the origin function.¹³³ This is also in line with arguments presented in the old famous article “The Rational Basis of Trademark Protection”, written in 1927 by Frank I Schechter, through which the concept of dilution first gained widespread attention.¹³⁴ In the article Schechter claims that in order to protect the primary function of a trade mark, which is its distinctiveness, it may be necessary to protect marks also for goods which are “related”.¹³⁵

¹³² CJEU C-9/93 «IHT» para 16.

¹³³ Wessman, Richard, Varumärkeskonflikter: Förväxlingsrisk och anseendeskydd i varumärkesrätten, Norstedts Juridik, 1 ed., 2002 [cit. Wessman] p. 31-32, 222.

¹³⁴ Fhima, Ilanah, Trade Mark Dilution in Europe and the United States, Oxford University Press, 1 ed., 2011 [cit. Fhima (2011)] p. 4.

¹³⁵ Fhima (2011) p. 5.

This indicates that while the principle of speciality seeks to balance trade mark rights with the principle of free movement of goods, a stricter application of the principle is not acceptable because trade mark rights, in general, has to prevail to the extent that the origin function is not jeopardised when a mark is used for goods that are similar enough to risk causing origin confusion.

3.2 The relation between LoC and the enhanced protection in regard to goods similarity

When the enhanced protection was implemented it was clear that the principle of speciality had been abandoned for reputed marks, while there was still some uncertainty regarding if confusion was needed to invoke the enhanced protection.¹³⁶ The CJEU however came to dismiss likelihood of confusion as a requirement for infringement under the enhanced protection.¹³⁷ When the CJEU held that likelihood of confusion was not required for enhanced protection, it seemed illogical that the enhanced protection was seemingly limited to dissimilar goods according to the wording of the legislation at that time. That would have meant that reputed marks had a stronger protection against use for dissimilar goods compared to if used for similar goods, which would still require a likelihood of confusion.¹³⁸ The wording of the legislation would however have made more sense if the intent was to require a likelihood of confusion also when invoking the enhanced protection, making the enhanced protection a simple extension of the protection of origin confusion, that included also dissimilar goods if the mark had acquired a reputation.

The issue of goods similarity was addressed in «Davidoff», where the CJEU held that the enhanced protection also included identical and similar goods,

¹³⁶ AG C-375/97 «General Motors» para 26.

¹³⁷ CJEU C-251/95 «Sabel» para 20.

¹³⁸ AG C-375/97 «General Motors» para 26.

despite the literal phrasing of the provision.¹³⁹ This has afterwards been codified in the current version of the EUTMR, which now lists also identical and similar goods.¹⁴⁰ So, instead of likelihood of confusion being required to invoke trade mark infringement when the goods are dissimilar, a reputed mark may invoke the enhanced protection for all goods regardless of whether there is a likelihood of confusion.

This begs the question whether «Sabel» and «Davidoff» together created a “gap” between the likelihood of confusion protection and the enhanced protection, in the sense that a potential situation could arise where a non-reputed mark is not protected against origin confusion because the goods are found to be dissimilar.

3.3 The similarity of goods threshold

The CJEU held relatively early that when assessing likelihood of confusion there is an interdependency between the similarity of the signs and the similarity of the goods. A lower degree of similarity of the goods can thus be offset by a higher degree of similarity of the signs and vice versa.¹⁴¹ It has however been somewhat unclear whether or not similarity of goods is subject to its own separate step in the assessment of likelihood of confusion and whether or not a threshold of a minimum level of similarity of goods exists.¹⁴² While some similarity of signs is needed by default for a likelihood of confusion to arise as without it a link between two marks cannot even be made, a likelihood of confusion in a broader sense could also take place even if the goods are dissimilar. Such is the case in

¹³⁹ CJEU C-292/00 «Davidoff» para 23-26, 30.

¹⁴⁰ EUTMR art. 8.5, 9.2c.

¹⁴¹ CJEU C-342/97 «Lloyd» para 19.

¹⁴² *Fhima & Gangjee* p. 162-163.

the USA, where a similarity of goods is technically not needed if a likely confusion can be found through other indicia.¹⁴³

The CJEU has however held that a likelihood of confusion presupposes both that the marks are identical or similar, and that the goods are identical or similar.¹⁴⁴ The similarity of the goods must accordingly be assessed separately and is a minimum requirement on its own.¹⁴⁵ The condition needs to be fulfilled without being influenced by the other relevant factors in the likelihood of confusion test. The degree of similarity between the signs therefore has absolutely no bearing on the similarity between the goods.¹⁴⁶ Even in the case of identical signs.¹⁴⁷ It also does not matter if that mark would have a high distinctive character.¹⁴⁸ A relevant likelihood of confusion can therefore only exist within the limits of the principle of speciality.¹⁴⁹ Consequently, a global appreciation of likelihood of confusion will not take place unless a minimum level of similarity of the goods has been established.

If the threshold of a minimum similarity of goods is reached, the actual degree of similarity among the goods may affect the outcome of the global appreciation of likelihood of confusion. While the CJEU has not directly addressed the threshold for similarity of goods, it has held regarding similarity of signs that if there is some similarity, *even faint*, the global appreciation must be carried out.¹⁵⁰ The GC has expressed something similar, holding that *even a slight similarity between the goods* require a global assessment of likelihood of confusion.¹⁵¹

¹⁴³ Fhima & Gangjee p. 107.

¹⁴⁴ CJEU C-234/06 P «Bainbridge» para 48, CJEU C-106/03 P «Vedral» para 51.

¹⁴⁵ CJEU C-142/14 P «Sunrider II» para 108, CJEU C-224/17 P «Hernandez Zamora» para 7-8.

¹⁴⁶ GC T-512/15 «Sun Cali» para 52, Muyltermans & Maeyaert p. 100.

¹⁴⁷ CJEU C-196/06 P «Alecansan» para 44.

¹⁴⁸ CJEU C-196/06 P «Alecansan» para 37.

¹⁴⁹ GC T-150/04 «Tosca Blu» para 34.

¹⁵⁰ C-552/09 P «Ferrero» para 66.

¹⁵¹ GC T-505/12 «Longines» para 40, GC T-443/05 «El Corte Ingles» para 40.

3.4 What similarity factors are relevant and why?

While origin confusion considerations has come to affect the principle of speciality to the extent that also similar goods are relevant under the likelihood of confusion protection, the subsequent question is whether origin confusion considerations also affect the assessment of similarity and its relevant factors. When it comes to the similarity of signs factors – visual, audio and concept – they are based on how the average consumer perceives the signs using its senses and the message that the sign sends. When it comes to the similarity of goods assessment one may think that this test would instead be more of a strictly objective one, where the assessment would merely involve looking at whether the goods in question are physically similar. However, also the similarity of goods test is carried out through the perception of the average consumer.¹⁵² So, once it has been established what type of goods a registration covers, the relevant public and the average consumer in relation to those goods has to be defined, followed by the question whether the average consumer is likely to consider the goods to be identical, similar or dissimilar.¹⁵³ However, as the legislation does not provide any guidance as to what factors are relevant when assessing similarity, the request for a preliminary ruling in «Canon» gave the CJEU the opportunity to elaborate on the test.

The CJEU held that the comparison of goods should be done by taking all the relevant factors relating to the goods into account and those factors include, *inter alia*, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary.¹⁵⁴ The CJEU seems to have found inspiration for the factors listed in Canon from the prevailing test for goods similarity in the «British Sugar» case and the factors argued by UK and

¹⁵² Muyltermans & Maeyaert p. 98.

¹⁵³ Muyltermans & Maeyaert p. 98.

¹⁵⁴ CJEU C-39/97 «Canon» para 23.

France.¹⁵⁵ The CJEU however never further elaborated on why those factors are relevant, whether they all have some underlying common rationale, and more specifically never explained why those factors would be relevant to the average consumer.

As expressed in Tritton, while the guidance provided by the CJEU in Canon is helpful, the factors are difficult to apply without any reference to an underlying benchmark principle as to whether goods and services are similar or not.¹⁵⁶ This further applies to the fact that the list of factors mentioned by the CJEU was non-exhaustive, which raises the question what additional factors may be relevant and why.

It has been claimed that the CJEU's approach meant that the focus shifted away from the goods physical nature towards the circumstances under which the goods are used and sold due to origin confusion considerations, while still related to the goods themselves. The shift allows for a more appropriate assessment as to whether there are such links between the goods and their surrounding circumstances that may lead consumers to be confused as the origin of the goods.¹⁵⁷ Tritton also states that "one is tempted to say" that the benchmark principle should be origin confusion, in the sense that the relevant public would believe that an undertaking making the one product would also be involved in making the other.¹⁵⁸

As the purpose of the likelihood of confusion provision is to protect trade marks from not being able to fulfil their origin function, such a conclusion is also coherent with underlying trade mark law rationale. Further support for this line of argument may also be found in EUTMR recital 11 which reads that "*protection should apply also in cases of similarity between the mark and the sign and the goods or services. An interpretation should be given for the concept of similarity in relation to the likelihood of*

¹⁵⁵ AG C-39/97 «Canon» para 44-47, Fhima & Gangjee p. 106.

¹⁵⁶ Tritton p. 372

¹⁵⁷ Fhima (2009) p. 116.

¹⁵⁸ Tritton p. 372

confusion”. The recitals in earlier versions as well as the CJEU has also stated that it is indispensable to interpret the concept of similarity in relation to likelihood of confusion.¹⁵⁹ In «IHT» the CJEU also stressed that the object of trade mark law is to protect against risk of confusion amongst consumers, which may arise from marks used on products which are *sufficiently close to induce users to incorrectly conclude that the products come from the same undertaking*.¹⁶⁰

This is also consistent with earlier national trade mark law in some EU Member States such as Germany and Sweden, where the focus of the assessment of similarity of goods test was held to not be how alike the goods are but whether they are similar enough for origin confusion to arise.¹⁶¹ Similarly, the WIPO Intellectual Property Handbook state that as a general rule goods are similar if the public are likely to believe that the goods come from the same source if they are offered for sale under an identical mark.¹⁶²

As further discussed in chapter 3.5 below, it is also seemingly based on this conclusion that also such factors as shared distribution channels and usual origin have been held to be relevant when assessing the similarity of goods.

Thus, while a global appreciation of likelihood of confusion requires that the goods are at least similar, the similarity is assessed in the light of the risk for origin confusion. An analysis of the acknowledged relevant factors will now follow, as to whether origin confusion is also taken under consideration when those relevant factors are applied.

¹⁵⁹ CJEU C-705/17 «Hansson» para 43.

¹⁶⁰ CJEU C-9/93 «IHT» para 16.

¹⁶¹ Wessman p. 31-32, 222.

¹⁶² WIPO Intellectual Property Handbook, WIPO Publication, 2nd ed. 2004 [cit. WIPO handbook] p. 86.

3.5 The Canon-factors

3.5.1 Nature of the goods

The nature of the goods is defined based on the essential qualities or characteristics by which it is recognised and shared among the same type of product or category to which the product belongs.¹⁶³ The nature of the goods can therefore be established by asking: what is it?¹⁶⁴ A variety of features may be relevant when assessing the essential qualities or characteristics that helps define the nature of the goods, such as the composition of the goods (i.a. ingredients, raw materials of which the goods are made), how the goods function (i.a. mechanical, chemical), the physical condition (i.a. liquid, flexible).¹⁶⁵ However, none of the criteria are decisive and are merely indicative of an identical or similar nature.¹⁶⁶

By asking the question what it is, the EUIPO guidelines proceeds by giving the examples that yoghurt is a milk product, a car is a vehicle, and a body lotion is a cosmetic product. But by answering the questions of what something is through a variety of features such as the physical nature, composition and functioning, the question generates level of abstraction challenges. Abstraction being the abstract frame in which the goods must fit to be deemed similar. By asking the question what a yoghurt, a car or a body lotion is, the answer could just as well be answered under a more narrow level of abstraction – that a yoghurt is a yoghurt, a car is a car and a body lotion is a body lotion, as the physical nature,

¹⁶³ EUIPO Guidelines for Examination of EUTMs, 2020 [cit. EUIPO Guidelines] C.2.2; 3.2.1 Nature, Muyltermans & Maeyaert p. 102.

¹⁶⁴ EUIPO Guidelines C.2.2; 3.2.1 Nature, Muyltermans & Maeyaert p. 102.

¹⁶⁵ EUIPO Guidelines C.2.2; 3.2.1.2 Features of the goods defining their nature, Muyltermans & Maeyaert p. 103.

¹⁶⁶ EUIPO Guidelines C.2.2; 3.2.1.2 Features of the goods defining their nature, Muyltermans & Maeyaert p. 103.

composition and functioning of e.g. a yoghurt is different than a cheese, even if the both are made from milk and are milk products.

The EUIPO guidelines state that when defining the nature must be done in a sufficiently narrow way.¹⁶⁷ The guidelines does however not explain how narrow or give any reason as to why. Nevertheless, case-law shows that the level of abstraction chosen may differ greatly depending on the type of goods concerned.

In «Castello» the GC held that while condensed milk is a form of processed milk, while cheese is a milk-derivative, the raw material of both products is milk and must as a result be classed as milk products.¹⁶⁸ Since the relevant public is aware of that both products are made from milk, it being both products' essential characteristic that defines their nature, they consider them above all to be part of the same product family.¹⁶⁹ The applicant had however claimed that the manufacturing processes of the two are quite different and that no single undertaking actually manufactures both types of product.¹⁷⁰ The GC rejected these arguments as relevant due to the fact that even if the relevant public is aware of the differences in how the products are manufactured, that does not mean that those differences prevent one undertaking from making or selling both types of product at the same time. Therefore, the relevant public will have the impression that the products may have the same commercial origin.¹⁷¹ Similarity in the nature of the goods was also held to be the case concerning milk, cream and milk drinks, which was considered similar to cheese.¹⁷²

But while milk products bearing the same mark has been held to cause a risk of origin confusion, two types of products which only share the common denominator of being foodstuff for human consumption, has been claimed to

¹⁶⁷ EUIPO Guidelines C.2.2; 3.2.2 Intended purpose.

¹⁶⁸ GC T-85/02 «Castello» para 33.

¹⁶⁹ GC T-85/02 «Castello» para 33.

¹⁷⁰ GC T-85/02 «Castello» para 14.

¹⁷¹ GC T-85/02 «Castello» para 33.

¹⁷² GC T-237/11 «Lidl» para 87.

be a too vague a link for the average consumer to regard the product as having the same nature and therefore conclude that they share the same origin.¹⁷³

The nature of the goods factor is therefore seemingly linked to the protection of the origin function, in the sense that the nature of the goods is relevant due to that consumers may rely on certain essential qualities or characteristics of goods when making up their mind as to whether an undertaking providing a product would also be responsible for the other products in question, as they may find it more likely that an undertaking would be responsible for other products sharing those essential qualities or characteristics.

As stated above, all the variety of features that may be relevant when assessing the essential qualities or characteristics that helps define the nature of the goods are not decisive and are merely indicative of an identical or similar nature. As the protection of likelihood of confusion is intended to protect the trade mark proprietor's interests in the sense that it ensures that the trade mark can fulfil its essential function as a guarantee that the trade mark is an indication of origin, as well as the EUTMR recital 11 stating that an interpretation should be given for the concept of similarity in relation to the likelihood of confusion, it is argued that the assessment of what level of abstraction should be applied should take origin confusion considerations into account. This means that when assessing what type of quality or characteristic is relevant for the nature of goods assessment, this should be done in the light of if there are any common qualities or characteristics among the goods that is likely to be used by the relevant public to make up their mind as to whether an undertaking providing one of the products would also be responsible for the other products because of those shared characteristics.

If a level of abstraction of what the goods are and thus what the nature of the goods is, is chosen, but there is a more inclusive level of abstraction where the preliminary assessment is that the relevant public are likely to believe that an

¹⁷³ *Muyldermans & Maeyaert* p. 103.

undertaking providing a product would also be responsible for the other, that should be an indication of that the chosen level of abstraction is too narrow.

The conclusion that fruit juices and herbal and vitamin beverages are similar in nature due to them being non-alcoholic beverages that are consumed cold,¹⁷⁴ seemingly fits with this approach. It seems reasonable that the relevant public might think that an undertaking providing fruit juices could also be responsible for herbal and vitamin beverages, due to them all being non-alcoholic beverages that are consumed cold and are drunken to quench thirst.

However, beer and tequila have been held to be different in nature.¹⁷⁵ The same has been held for beer and wine.¹⁷⁶ The reasoning has been that they differ in their nature due to difference in ingredients, manufacturing, taste, smell and colour.¹⁷⁷ In the light of the underlying interest of the likelihood of confusion protection, this narrow level of abstraction and those features alone could be argued to only be relevant if the assessment is that the ingredients, taste, smell and colour by themselves or combined are factors that the relevant public would rely on when making up their mind as to whether an undertakings providing one product would also be responsible for the other. However, such origin confusion considerations do not seem to have been a consideration when the level of abstraction was chosen. While it was acknowledged that beer and wine both are beverages containing alcohol, and it was acknowledged that alcohol requires a fermentation process, that was downplayed in favour of the point that crushing grapes and pouring the must into barrels to make wine cannot be assimilated to the process of fermentation of malt when brewing beer.¹⁷⁸ And since the resulting product differ in colour, aroma and taste, the relevant consumer to perceives those two products as being different.¹⁷⁹ Despite that both of them to a certain

¹⁷⁴ GC T-203/02 «Vitafruit» para 67.

¹⁷⁵ GC T-584/10 «Yilmas» para 54.

¹⁷⁶ GC T-175/06 «Mezzopane» para 65.

¹⁷⁷ GC T-584/10 «Yilmas» para 54, GC T-175/06 «Mezzopane» para 65.

¹⁷⁸ GC T-175/06 «Mezzopane» para 64.

¹⁷⁹ GC T-175/06 «Mezzopane» para 65-66.

extent satisfy the same need, as they are enjoyed during a meal or as an aperitif, it was held that the relevant public perceives them as two distinct products and are therefore dissimilar in nature, as they do not belong to the same family of alcoholic beverages.¹⁸⁰

But even if the argument is that the relevant consumer perceives the two products as different, due to them differing in colour, aroma, and taste, it is still not overly convincing. Such a narrow abstraction would lead to most similar products being considered dissimilar. Also condensed milk and cheese, and fruit juices and herbal and vitamin beverages can have a different colour, aroma, and taste. It is therefore argued that the question should not simply be whether the consumer perceives two products as being different, but perceives the nature of the goods to be different when taking into account such essential qualities or characteristics of the goods that the relevant public would find relevant when making up their mind as to whether it is likely that an undertakings providing one product would also be in the business of providing the other.

«Longines» is another example of where origin confusion seemingly has not been considered when choosing the level of abstraction in the nature of the goods assessment. The GC held that clothing and footwear, watches, sunglasses and jewellery are all different in nature.¹⁸¹ While the GC cited that the BoA had acknowledged that both watches and sunglasses can be worn as fashion accessories, and that both jewellery and clothing and footwear can be worn on the body for aesthetic reasons, the GC sided with BoA and chose a more narrow level of abstraction that did not allow for the goods to fall within the same family of goods, instead of choosing a wider level of abstraction by recognising a wider family of goods, such as fashion accessories.¹⁸² In the context of assessing the nature of the goods, the GC instead chose to stress that the goods concerned are

¹⁸⁰ GC T-175/06 «Mezzopane» para 66.

¹⁸¹ GC T-505/12 «Longines» para 51.

¹⁸² GC T-505/12 «Longines» para 38, 39, 49.

all manufactured from different raw materials, except for some similarities in the materials used for sunglasses, watches or jewellery, such as glass.¹⁸³

If such weight is to be given to the raw materials it is argued that it would have to be because it is likely that the relevant public would consider the raw materials used when making up their mind as to whether an undertaking providing one of the products would also be responsible for other products. If that is likely the case, then raw material should be a relevant quality or characteristic for establishing the nature of the goods. It can however be debated whether it is likely that the relevant public would make assumptions as to the commercial origin of the goods concerned in «Longines», which were all meant to be worn on the body, from the fact that they are mostly made from different materials such as leather, metals, plastics. The relevance of the ingredients and the manufacturing process should at least arguably only be relevant when the relevant public have knowledge of that the goods share or don't share the same ingredients and/or that the manufacturing process of the two are the same or different, where those factors then to a certain extent could qualify or disqualify the relevant public from thinking that those features makes it likely or unlikely that both goods may be provided by the same commercial origin.

Pharmaceuticals is an example of where the relevant public arguably has knowledge of that the goods may not share the same ingredients and that the manufacturing process of the two differ to a certain extent, if the therapeutic indications of the pharmaceuticals are completely different. All pharmaceuticals have still been held to be identical in nature due to them being chemical products, pharmaceutical products or preparations, even including veterinary preparations.¹⁸⁴ According to the GC, this is apparent from that they all belong to the same general category of goods, which is medicines.¹⁸⁵ The fact that the

¹⁸³ GC T-505/12 «Longines» para 50.

¹⁸⁴ GC T-130/03 «Alcon» para 57, GC T-483/04 «Armour Pharmaceutical» para 70, EUIPO Guidelines C.2.2; 5.1.2 Pharmaceuticals versus pharmaceuticals, Fhima & Gangjee p. 107-108.

¹⁸⁵ GC T-331/09 «Tolposan» para 35

therapeutic indications differ greatly is instead used as a factor to establish that the goods in question have a lower degree of similarity, which can come to affect the global appreciation of likelihood of confusion.¹⁸⁶

It has however been questioned whether this approach is influenced by a desire to give pharmaceuticals a stronger protection against confusion, also taking into consideration that the consequences of confusion of such products can be serious and even fatal.¹⁸⁷

3.5.2 Their intended purpose

The original English translation of the factors listed in Canon did not mention the intended purpose of the goods and instead listed the end user as a factor, but this was later corrected.¹⁸⁸ As clear from the statement that it is the *intended* use which is relevant, it is the primarily envisioned use and no other possible use cases for the goods that is relevant.¹⁸⁹ The purpose is defined by what the intended function of the goods is.¹⁹⁰ The intended purpose of the goods can therefore be established by answering the question: What need do these goods satisfy and/or what problem do they solve?¹⁹¹ It should however in this context be noted that some goods may have equally weighted intended purposes, where both will be deemed relevant.¹⁹²

As in the case of defining the nature, the EUIPO guidelines acknowledge that the proper level of abstraction can sometimes difficult to determine, but that the intended purpose must be defined in a sufficiently narrow way, without further explaining as to how narrow and providing any substantiation as to why.¹⁹³ An

¹⁸⁶ GC T-487/08 «Kureha» para 77, GC T-331/09 «Tolposan» para 35-36, 57.

¹⁸⁷ Fhima & Gangjee p. 110.

¹⁸⁸ Fhima & Gangjee p. 106.

¹⁸⁹ EUIPO Guidelines C.2.2; 3.2.2 Intended purpose.

¹⁹⁰ EUIPO Guidelines C.2.2; 3.2.2 Intended purpose.

¹⁹¹ EUIPO Guidelines C.2.2; 3.2.2 Intended purpose.

¹⁹² GC T-48/06 «Astex» para 40, GC T-418/03 «La Mer» para 111, Fhima & Gangjee p. 114.

¹⁹³ EUIPO Guidelines C.2.2; 3.2.2 Intended purpose.

example is given in that the intended purpose of vinegar should not be defined as for human consumption, but for everyday seasoning.¹⁹⁴ Nevertheless, an examination of GC case-law show that both the level of abstraction and the assessment of what the primary purpose of certain goods is seemingly differs depending on the type of goods concerned.

As noted by Fhima & Gangjee, it has been claimed that the level of abstraction is too great if teaching dance were to be considered similar to teaching yoga because they all involve the intended purpose of teaching/learning, and that applying this logic may result in all goods and services being found similar because they all have some degree of similarity at some level.¹⁹⁵

However, the reasoning behind why the Appointed Person, in the UK case where those circumstances applied, held that teaching would be too great of a level of abstraction was based on that a relevant similarity relates to whether the average consumer would be likely to consider that they originated from the same trade source if similarly branded. While the Hearing Officer had expressed this by stating that the level of abstraction of teaching would be too great because persons teaching dance are unlikely to be a person teaching yoga, the Appointed Person adjusted this reasoning by pointing out that it is not the objective reality of whether persons teaching dance are unlikely to teach yoga which is relevant, but whether from the perspective of the relevant public, they are likely to believe that undertakings providing dance lessons would also provide yoga lessons.¹⁹⁶

The intended purpose factor is therefore seemingly linked to the origin function, in the sense that the intended purpose is relevant due to that consumers may rely on how the goods function when making up their mind as to whether an undertaking providing a product would also be responsible for the other

¹⁹⁴ EUIPO Guidelines C.2.2; 3.2.2 Intended purpose.

¹⁹⁵ Fhima & Gangjee p. 110.

¹⁹⁶ Awareness Ltd v Plymouth City Council, Trade Marks Registry (Appointed Person), O/236/13 para 44, 46.

products in question, as they may find it more likely that an undertaking would be responsible for other goods which function in a similar manner.

In the light of the underlying rationale of the protection against likelihood of confusion, it is argued that the assessment of what level of abstraction should be applied should be done in the light of if there are common functions among the goods that is likely to make the relevant public think that an undertaking providing one of the products would also be responsible for other products with a similar function. If a narrow level of abstraction for what the function of the goods is, is chosen, but there is a more inclusive level of abstraction where the assessment would be that the relevant public is likely to believe that an undertaking providing a product would also be responsible for the other, that should be an indication of that the chosen level of abstraction is too narrow.

This seemingly fits with this approach taken by the GC in «MKT» where the GC held that printed publications have the same purpose as an online information distribution service, since it is the information that matters to the persons at whom publications and online information distribution service are targeted, with the medium used to provide the information is of secondary importance.¹⁹⁷ It seems reasonable that the relevant public might think that an undertaking providing information through a printed publication could also be providing information through and online information distribution service, and the chosen medium would unlikely be a factor that the relevant public would use to make up their mind as to whether the commercial origin is the same or not.

The GC's assessment in «Electric Bike World» that bicycles and exercise bikes share an intended purpose, with the reasoning that they are both intended for exercise,¹⁹⁸ has been questioned. The argument has been that bicycles primary purpose could just as well be transportation, which cannot be achieved by an exercise bike.¹⁹⁹ The GC however acknowledged that bicycles are commonly

¹⁹⁷ GC T-365/09 «MKT» para 33.

¹⁹⁸ GC T-379/12 «Electric Bike World» para 37.

¹⁹⁹ Fhima & Gangjee p. 113-114

used both for transportation and for the purpose of exercise.²⁰⁰ The GC therefore seemingly gave bicycles the equally weighted purposes of transportation and exercise. While critique against such an assessment may seem rational without any frame of reference other than simply asking oneself what the primary purpose of a bicycle is, it may make more sense if assessed in the light of whether that conclusion is appropriate due to that relevant public may be likely to believe that an undertaking providing exercise bikes may also be responsible for the supply of bicycles, as they can both be used for exercise.

However, beer and tequila have been held to have different intended purposes.²⁰¹ The reasoning has been that this is due to their claimed significant difference in use, as the primary function of beer is supposedly to quench thirst, while this was held not to be the case for tequila.²⁰² The intended purpose of wine is also not to quench thirst, but is generally intended to be savoured, and is thus different from beverages intended to quench thirst.²⁰³ But one could argue that if the relevant public may risk believing that an undertakings providing one of the alcoholic products may be in the business of also providing the other, a conclusion that beer, as well as even possibly non-alcoholic beverages, would not also have an equally weighted intended purpose to be savoured, can be argued to be too strict.

In the light of the underlying interest of the likelihood of confusion protection, such a narrow approach could be argued to only be satisfactory if the assessment is that due to that some beverages are bought to quench thirst, while others are not, it would cause the relevant public to reflect over whether an undertakings providing one product would or would not be responsible for the other. However, such origin confusion considerations do not seem to have been a consideration in these beverage cases.

²⁰⁰ GC T-379/12 «Electric Bike World» para 33, 37.

²⁰¹ GC T-584/10 «Yilmas» para 54

²⁰² GC T-584/10 «Yilmas» para 54

²⁰³ GC T-175/06 «Mezzopane» para 83.

Also, in «Longines» the GC sided with the BoA and held that watches and other horological goods are designed, inter alia, to measure and indicate the time, optical sunglasses are above all produced to make it easier to see, to provide users with a feeling of comfort in certain meteorological conditions and, in particular, to protect their eyes from rays of sunlight, clothing and footwear are manufactured to cover, conceal, protect and adorn the human body, while jewellery has a purely ornamental function.²⁰⁴ Their intended purpose were therefore considered to be different.²⁰⁵ The BoA had acknowledged that both watches and sunglasses can be worn as fashion accessories, but the BoA meant that the aesthetic purpose of ‘optical sunglasses’ remained secondary to their primary purpose of correcting vision defects and to protect eyes.²⁰⁶ The BoA had also acknowledged that while jewellery is also worn on the body it is solely for aesthetic reasons, which is not the case for clothing and footwear which has the main aim of clothing the human body and feet.²⁰⁷ But while the GC held the goods to be dissimilar, they did also acknowledge a certain proximity between the goods as they are all often sold as luxury goods under famous trade marks of renowned designers and manufacturers.²⁰⁸ The GC however never further elaborated on as if there was a common reason as to why all those goods are all often sold as luxury goods under famous trade marks of renowned designers and manufacturers and if that may have had an impact on the assessment.

As one could argue that the goods in question are all often sold as luxury good under famous trade marks due to their aesthetic use as fashion accessories, the relevant public may find such a common use as fashion accessories relevant when making up their mind as to whether it is likely that an undertakings providing one product would also be in the business of providing the other. If that would be the case then not recognising the goods function as fashion accessories when

²⁰⁴ GC T-505/12 «Longines» para 51.

²⁰⁵ GC T-505/12 «Longines» para 51.

²⁰⁶ GC T-505/12 «Longines» para 38.

²⁰⁷ GC T-505/12 «Longines» para 39.

²⁰⁸ GC T-505/12 «Longines» para 47-48.

choosing the level of abstraction, or at least consider them to have an equally weighted intended purpose, may be a too narrow of an approach to the assessment of the intended purpose of the goods.

However, in the case of setting the level of abstraction when assessing the nature of the goods in relation to pharmaceuticals, all pharmaceuticals have been considered as identical in their intended purpose as their function is to improve health and treat health problems, regardless of any major differences in their therapeutic indication.²⁰⁹ The fact that the therapeutic indications differ greatly is instead used as a factor to establish that the goods in question have a lower degree of similarity, which can come to affect the global appreciation of likelihood of confusion.²¹⁰

3.5.3 Method of use

The method of use is determined by the way in which the goods are used to achieve an intended purpose. The method of use of the goods can therefore be established by asking the question: how are the goods used?²¹¹

The factor is often of little or no significance of its own as the method of use often follows directly from the nature and/or intended purpose of the goods.²¹² The method of use-factor is regularly considered as the least important factor also in other cases as the same method of use can be present for such different goods as baby carriages and shopping trolleys.²¹³ It can however be argued that the relevance of the factor in the specific case should in fact be decided in the light of whether the relevant public may have the impression that the products have the same commercial origin due to their method of use.

²⁰⁹ GC T-483/04 «Armour Pharmaceutical» para 70, GC T-262/14 «Bionecs» para 29.

²¹⁰ GC T-487/08 «Kureha» para 77, GC T-331/09 «Tolposan» para 35-36, 57.

²¹¹ EUIPO Guidelines C.2.2; 3.2.3 Method of use.

²¹² EUIPO Guidelines C.2.2; 3.2.3 Method of use, Muyldermans & Maeyaert p. 104, Fhima & Gangjee p. 115.

²¹³ EUIPO Guidelines C.2.2; 3.3.2 Importance of each factor.

While baby carriages and shopping trolleys may be used in the same manner, it seems unlikely that the relevant public may risk thinking that a producer of baby carriages would also be in business of providing shopping trolleys or vice versa due to the fact that they may share such a method of use. However even if the intended purpose of beer is considered to be to quench thirst, and the intended purpose of wine is to be savoured, they may be consumed in the same places, on the same occasions and satisfy the same needs, such as for enjoyment during a meal or as an aperitif.²¹⁴ Similarly, watches, sunglasses, and jewellery, which have all been recognised by the courts as items that can be worn on the body as fashion accessories, for aesthetic reasons. If the assessment would also be that it is likely that the relevant public may believe that an undertakings providing one would also be in the business of providing other, there are arguably less reasons to treat the factor as immaterial under such circumstances, due to relevant origin confusion considerations.

3.5.4 In competition

Goods are and will only be in competition when they have an element of substitutability between them, in the sense that one can be used instead of the other.²¹⁵ That means that they must serve the same or at least a similar purpose.²¹⁶ Consequently, they also have to be offered to the same actual and potential customers.²¹⁷

Therefore the purpose does not have to be the intended purpose, even if that may be the natural starting point.²¹⁸ So while milk and cheese are considered

²¹⁴ GC T-584/10 «Yilmaz» para 54.

²¹⁵ GC T-504/11 «Hartmann» para 42, GC T-648/18 «Super bock group» para 31, EUIPO Guidelines C.2.2; 3.2.5 In competition, Fhima & Gangjee p. 116.

²¹⁶ EUIPO Guidelines C.2.2; 3.2.5 In competition.

²¹⁷ CJEU C-374/15 P «Harper Hygenics» para 30, GC T-316/07 «Commercy» para 48, EUIPO Guidelines C.2.2; 3.2.5 In competition.

²¹⁸ GC T-169/03 «Sergio Rossi» para 57.

similar, they have in one case been held to not be in competition as they are consumed in different ways and can therefore, from the point of view of nutrition and taste, not be used as substitutes.²¹⁹ Neither can shoes and bags, as shoes are used to dress feet and bags to carry objects.²²⁰

However, in another case milk and cheese were held to be in competition for those seeking calcium in their diet, dismissing the applicant's argument that the goods have a different nutritional purpose and taste.²²¹ This line of argument by the court does however seem to lack an assessment of whether a significant portion of the relevant public actively seek calcium in their diet and thereby find milk and cheese substitutable, as well as disregard whether such an element is relevant to the public in regard to origin confusion considerations.

Regarding wine and beer, they have been held by the GC to be in competition to a certain degree.²²² In this context the GC has referred to what the CJEU has previously held in a number of cases regarding taxation law, where wine and beer have been held to be capable of meeting identical needs, which means a certain degree of mutual substitutability.²²³ Regarding beer and tequila, the GC has held that there is a significantly lower degree of competition compared to wine and beer.²²⁴ The GC held that the goods lacked substitutability due to that, unlike with beer and wine, tequila is in general significantly stronger and considerably more expensive than the wines which are the most accessible to the public at large.²²⁵

Fruit juices and herbal and vitamin beverages have however been held to be interchangeable as they are both meet an identical need due to being non-

²¹⁹ GC T-85/02 «Castello» para 35.

²²⁰ GC T-169/03 «Sergio Rossi» para 57.

²²¹ GC T-237/11 «Lidl» para 87.

²²² GC T-175/06 «Mezzopane» para 68.

²²³ GC T-175/06 «Mezzopane» para 68.

²²⁴ GC T-584/10 «Yilmas» para 57.

²²⁵ GC T-584/10 «Yilmas» para 57.

alcoholic beverages, normally drunk cold to quench thirst, with their different ingredients having no relevance.²²⁶

The in competition-factor is seemingly linked to the origin function in the sense that consumers may find it likely that an undertaking providing products would also be responsible for alternatives that are interchangeable to its other own products, which would give the consumer a wider range of options to choose from.

However, in «Longines» the GC held that there was no evidence as to consumers who e.g. intends to buy a watch or jewellery would suddenly decide to buy sunglasses instead.²²⁷ The GC did also not accept the applicant's claims that all those products are subject to impulse purchases and that in the luxury sector it is in general the brand that motivates the consumer's decision to purchase a specific item and not the actual functional necessity of the item.²²⁸ The GC meant that if all those goods were considered as being in competition, as a result of that line of reasoning, it would mean that all goods in the luxury sector are in competition. This was held to be contrary to the principle of speciality, which the GC claimed must be taken into account during the similarity assessment even if a likelihood of confusion could arise.²²⁹

Even if it can be debated that the GC's position is desired from a competition perspective, the case is seemingly an example of the GC using the principle of speciality and competition interests to narrow down the level of abstraction, so that goods that could arguably all be considered as sharing the common denominator of being fashion accessories, are not considered as in competition. But as the underlying interest of the likelihood of confusion protection is the interest of the trade mark proprietors and since similarity should be interpreted in relation to the likelihood of confusion, it can be questioned whether the

²²⁶ GC T-203/02 «Vitafruit» para 67.

²²⁷ GC T-505/12 «Longines» para 53.

²²⁸ GC T-505/12 «Longines» para 54.

²²⁹ GC T-505/12 «Longines» para 55.

approach of letting other opposing interests prevail in the similarity assessment is correct. The GC's statement that the applicants line of reasoning would mean that all goods in the luxury sector are in competition is seemingly a slippery slope argument, because the fact that a consumer might chose to buy jewellery instead of sunglasses, as both are fashion accessories, does not mean that this applies to other products in the luxury segment sector, such as cars, electronics etc. One may also argue that even more inexpensive watches and sunglasses, not belonging to the luxury sector, arguably also have the same low degree of substitutability, due to the fact that they are both capable of meeting aesthetic needs as fashion accessories.

Pharmaceuticals may be in competition if they fall within the same sub-category of medicines, but they are not interchangeable if they can be distinguished according to their primary therapeutic indication.²³⁰

It is argued that the level of abstraction and the factor's relevance should be assessed in the light of whether the substitutability is likely to make the relevant public believe that an undertaking providing one of the products would also be responsible for the other interchangeable products. It can therefore be argued that the relevant public would not find e.g. milk and cheese to be in competition, if not a significant portion of the relevant public would think that the fact that both are products contain calcium is something that makes it more likely that an undertaking providing one would also be responsible for the other.

3.5.5 Complementary

Goods are considered as complementary if there is a close connection between them, in the sense that one is indispensable (essential) or important (significant) for the use of the other. In addition the connection must be so close as to the extent that consumers may think that responsibility for the production

²³⁰ GC T-331/09 «Tolposan» para 38.

of those goods lies with the same undertaking.²³¹ Complementarity must therefore, as a rule, be distinguished from auxiliary and ancillary use or where goods are often merely used together, such as by choice or by convenience.²³² The complementarity of the goods must however not necessarily be functional, in the sense that the use of a product is indispensable for the functioning of the other product.²³³

Complementarity requires that the goods being either indispensable or important for the use of the other

The requirement of the goods being either indispensable or important has been further interpreted as the rather strict requirement of that the purchase of the one product should lead to the purchase of the other.²³⁴ As complementary goods require at a minimum that one of the goods are important for the use of the other, it also presupposes that the goods are intended for the same public.²³⁵ The purchase of the one product would not lead the same buyers to purchase the other if not both goods are intended for those same buyers.

The GC has held that that wine and beer are not complementary, and neither are beer and tequila. The goods are neither indispensable or important for the use of the other such as that the purchase of the one product would lead to the purchase of the other.²³⁶ Neither are rum and cola and energy drinks and alcoholic drinks, even if they can be and are often consumed either one after the other or mixed.²³⁷ However, coffee and milk and cocoa and milk have been held

²³¹ GC T-169/03 «Sergio Rossi» para 60.

²³² GC T-116/06 «Oakley» para 56, EUIPO Guidelines C.2.2; 3.2.4.1 Use in combination: not complementary.

²³³ Muyldermans & Maeyaert p. 105.

²³⁴ GC T-584/10 «Yilmaz» para 56, GC T-175/06 «Mezzopane» para 67.

²³⁵ GC T-316/07 «Commercy» para 58.

²³⁶ GC T-584/10 «Yilmaz» para 56, GC T-175/06 «Mezzopane» para 67.

²³⁷ GC T-296/02 «Lindenhof» para 57, GC T-150/17 «Red Bull» para 80-81.

to be complementary due to that they are very frequently consumed together and generally mixed.²³⁸

The interpretation that complementarity does not require ‘functional’ necessity, but implies that the purchase of the one product should lead to the purchase of the other, has led to that aesthetical complementarity can be sufficient if the goods are indispensable or important for the use of the other in the eyes of the relevant public. This requires a genuine aesthetic necessity, in that one product is indispensable or important for the use of the other in the sense that consumers consider it ordinary and natural to use these products together.²³⁹

Despite this, clothing and fashion accessories may be considered to not be complementary or even aesthetically complementary, under the argument that their coordination lacks genuine aesthetic necessity if consumers would not find a mismatch unusual or shocking.²⁴⁰ Although the GC has also repeatedly acknowledged that there is often a search for a certain aesthetic harmony in clothing, that is nevertheless by itself too general to justify a finding that such goods are complementary.²⁴¹

The GC has repeatedly held that pharmaceuticals can be complementary, but without providing any further reasoning as to why or to what extent the difference in therapeutic indications matters under the applied level of abstraction.²⁴² The factor has seemingly also been disregarded as irrelevant at times when a minimum of similarity has already been found while assessing the other relevant factors.²⁴³

²³⁸ GC T-21/15 «Dino» para 26, GC T-405/13 «aROSA» para 99.

²³⁹ GC T-150/04 «Tosca Blu» para 36.

²⁴⁰ GC T-169/03 «Sergio Rossi» para 62.

²⁴¹ GC T-363/08 «nollie» para 36, GC T-505/12 «Longines» para 66.

²⁴² GC T-130/03 «Alcon» para 57, GC T-483/04 «Armour Pharmaceutical» para 70

²⁴³ GC T-262/14 «Bionecs» para 33.

Complementarity requires a connection so close that the extent that consumers may think that responsibility for the production of those goods lies with the same undertaking.

The fact that consumers regard a product as complementary in the broader sense under the requirement discussed above, that is not in itself sufficient to fulfil the additional requirement of them risking to believe that those products have the same commercial origin. For that to be the case, consumers would also have to consider it usual for those products to be sold under the same trade mark.²⁴⁴ This normally implies that a large number of producers or distributors of these products are the same.²⁴⁵ This second requirement is therefore not just directly connected to origin confusion, but origin confusion as a requirement has been incorporated directly into the similarity factor.

It has been claimed that this additional requirement might be appropriate since the CJEU has confirmed that complementarity can be the sole factor which establishes similarity between goods.²⁴⁶ It can however also be argued that the complementary factor test in its current form is too strict. Even without the additional requirement, a factor that would only require that the goods are indispensable or important for the other, in the sense that the purchase of the one product should lead to the purchase of the other, could arguably represent a sufficient degree of similarity under origin confusion considerations. Already such circumstances are arguably something which, in the abstract, may cause the relevant public to believe that the goods come from the same commercial origin.

²⁴⁴ GC T-150/04 «Tosca Blu» para 37.

²⁴⁵ GC T-150/04 «Tosca Blu» para 37.

²⁴⁶ CJEU C-50/15 P «Kurt Hesse» para 23, Bently p. 1043.

3.6 Other relevant similarity factors

3.6.1 Shared distribution channels

The shared distribution channels-factor considers what type of places the goods are sold and if both goods can be found at the same or similar sales outlets.²⁴⁷ The EUIPO guidelines provide the example of wheelchairs and bicycles, which could both be classified as vehicles, but will not be found at the same outlets.²⁴⁸ Whether goods have shared distribution channels can therefore be established by asking: do the goods have the same points of sale, or are they usually provided or offered at the same or similar places?²⁴⁹

The shared distribution channels-factor was not explicitly mentioned by the CJEU as a relevant factor in «Canon». This might seem a bit surprising as it was listed as a relevant factor in the AG's opinion in the case, as suggested by the UK and France.²⁵⁰ It had also been one of the factors listed in the seemingly influential British Sugar case.²⁵¹ But as the factors listed in «Canon» were non-exhaustive, nothing has prevented the courts from applying the factor on their own initiative after all. However, the factor has more recently now also been explicitly confirmed by the CJEU as a relevant factor to consider when assessing the similarity of goods.²⁵²

The EUIPO Guidelines state that the reason for the factors relevance is that if the goods are made available through the same distribution channels, the consumer may be more likely to assume that the goods belong to the same market sector and are possibly manufactured by the same undertaking or vice

²⁴⁷ EUIPO Guidelines C.2.2; 3.2.6 Distribution channel.

²⁴⁸ EUIPO Guidelines C.2.2; 3.2.6 Distribution channel.

²⁴⁹ EUIPO Guidelines C.2.2; 3.2.6 Distribution channel.

²⁵⁰ CJEU C-39/97 «Canon» para 23, AG C-39/97 «Canon» para 44-47, Fhima & Gangjee p. 124.

²⁵¹ Fhima & Gangjee p. 124.

²⁵² CJEU C-50/15 P «Kurt Hesse» para 23, CJEU C-374/15 P «Harper Hygenics» para 30.

versa. On the other hand, if goods have different sales outlets consumers may tend to reject the idea of a mutual commercial origin which may weigh against a similarity.²⁵³ The factor is therefore directly related to origin confusion considerations.

Before the CJEU more recently confirmed the factor as a relevant one it could have been claimed that if the CJEU chose to leave the factor out in «Canon» despite the AG's recommendation, it must have been due to a conscious choice that the factor is less relevant. It has also been suggested that a reason for the reluctance to include it might have been the difficulty in applying the factor, as a wide range of goods can be found in supermarkets, department stores, or today, through online shopping.²⁵⁴ The argument has been that it is the nature of department stores to provide a wide range of unrelated goods for the convenience of shoppers.²⁵⁵ The latter line of argument has also come to be used by the courts to sometimes dismiss the factor or at least see it as less relevant in cases where the goods are sold in the same department stores.²⁵⁶

The reason behind this has been held to be that the relevant public is aware that goods sold in these types of places come from a multitude of independent undertakings. The place of sale would therefore be less reliable for the relevant public to take into consideration when reflecting over whether goods share a common commercial origin or not.²⁵⁷ It is therefore less likely that the relevant public would risk assuming a common commercial origin merely because they are sold at these same types of outlets.²⁵⁸ The example given by Fhima & Gangjee is that both breakfast cereal and ladies' clothing can be found on many supermarket shelves, but they are clearly not similar.²⁵⁹ The courts have however acknowledged that where the goods in these types of places are offered in the

²⁵³ EUIPO Guidelines C.2.2; 3.2.6 Distribution channel.

²⁵⁴ Fhima & Gangjee p. 124.

²⁵⁵ Fhima & Gangjee p. 124.

²⁵⁶ EUIPO Guidelines C.2.2; 3.2.6 Distribution channel.

²⁵⁷ GC T-443/05 «El Corte Ingles» para 44.

²⁵⁸ EUIPO Guidelines C.2.2; 3.2.6 Distribution channel.

²⁵⁹ Fhima & Gangjee p. 124.

same sections, where homogeneous goods are placed next to each other, the relevance increases.²⁶⁰ The identification of a territorial and functional separation from the other sections must however be possible, e.g. a dairy section or cosmetics section.²⁶¹ Thus, the shared distribution channels factor have been considered relevant to display similarity among milk and cheese products, as they are sold in the same sections of those supermarkets as milk products.²⁶²

Other situations where the factor is generally deemed to be of a higher relevance is when the goods are exclusively or commonly sold in the same or similar specialised stores, as consumers are more likely to believe that the commercial origin of goods are the same if they can both be found in such specialised stores. Research of case-law has also shown that this has led to the factor being the most commonly used one to support a finding of similarity of goods.²⁶³

In «Gitana» the GC held that the shared distribution channels for goods made of leather are relevant to display similarity, as handbags and wallets are often sold in the same specialised stores as clothing.²⁶⁴ The GC highlighted the fact that since those goods are often sold in the same specialist sales outlets, that is likely to facilitate the consumers perception that there exists a close connections between the goods which support the impression that the same undertaking is responsible for the production of those goods.²⁶⁵

However, in «Longines» the GC held that the fact that watches, sunglasses and jewellery are sold in the same commercial establishments, such as department stores or supermarkets, is not of particularly significance as very different kinds of goods may be found in such shops, without consumers automatically believing that they have the same origin.²⁶⁶ The court did not directly further elaborate on

²⁶⁰ EUIPO Guidelines C.2.2; 3.2.6 Distribution channel.

²⁶¹ EUIPO Guidelines C.2.2; 3.2.6 Distribution channel.

²⁶² GC T-237/11 «Lidl» para 89.

²⁶³ Fhima & Gangjee p. 124.

²⁶⁴ GC T-569/11 «Gitana» para 42.

²⁶⁵ GC T-569/11 «Gitana» para 45.

²⁶⁶ GC T-505/12 «Longines» para 79.

whether the watches, sunglasses and jewellery were a more homogeneous group of goods within those stores, such as being found in a territorially and functionally separated fashion accessories section. However in relation to the complementary test the GC stated that although it is true that it cannot be ruled out that the goods may be sold in the same premises, such as on the entrance floors of multi-brand luxury shops, in shops which are well known and brand ‘flag’ shops, in ‘duty free’ shops and also in some sections of department stores, the fact remains that it has not been established or generally accepted it is the case for the majority of the goods, and in particular for inexpensive versions of those goods.²⁶⁷ The GC also referred back to the earlier case of «nollie», where the court had held that the relevant public expects sunglasses, watches and jewellery to be marketed in specialist outlets with a staff that has a specific knowledge of those goods, and it can therefore not be reasonably claimed that the distribution channels are identical.²⁶⁸

The level of abstraction as to how homogeneous the goods have to be in a certain area of department stores and supermarkets for the shared distribution channels to support similarity has also been set considerably narrower for beer and tequila when the courts have stressed the fact that those goods are not normally displayed on the same shelves in the areas of supermarkets and other outlets selling drinks. Therefore, the argument of shared distribution channels being a factor that supports similarity between the two has been rejected.²⁶⁹ This has however been done seemingly without any consideration as to whether the relevant public would take placement on different shelves into consideration when reflecting over whether goods may share a common commercial origin or not.

In the light of the underlying interest of the likelihood of confusion protection, this narrow level of abstraction of specific shelves within the same

²⁶⁷ GC T-505/12 «Longines» para 77.

²⁶⁸ GC T-363/08 «nollie» para 39.

²⁶⁹ GC T-584/10 «Yilmaz» para 54.

supermarket, when both are also sold in the same specialist outlets for alcoholic beverages, could arguably only be appropriate if the assessment is that those circumstances cause the relevant public to reflect over whether an undertakings providing one of the drinks would also or would not also be responsible for the other.

Pharmaceuticals are again an example where the general availability at pharmacies, health centres and chemist's shops as shared distribution channels has been considered sufficient to support a finding of similarity among the goods.²⁷⁰

3.6.2 Usual origin

The usual origin-factor considers whether it is common for a type of undertaking to be providing both types of goods, which is a strong indication of similarity in the mind of the relevant public, as the belief is that the goods usually have the same origin.²⁷¹ As origin is not merely defined by the place of production but concerns who controls the production of the goods, the usual origin can therefore be established by asking the question: who is responsible for manufacturing the product?²⁷² According to the EUIPO guidelines the factor follows from the general concept of likelihood of confusion, where the origin is of particular importance also for the analysis of similarity.²⁷³

The Guidelines however also stresses that the usual origin factor should not be used to turn the examination of likelihood of confusion and similarity of goods “upside down”, as the finding of a likelihood of confusion depends on many other factors and the usual origin factor does not require that there is an

²⁷⁰ GC T-487/08 «Kureha para 75.

²⁷¹ EUIPO Guidelines C.2.2; 3.2.8 Usual origin (producer/provider).

²⁷² EUIPO Guidelines C.2.2; 3.2.8 Usual origin (producer/provider).

²⁷³ EUIPO Guidelines C.2.2; 3.2.8 Usual origin (producer/provider).

actual risk for confusion in the specific case.²⁷⁴ But, while the usual origin factor is asking while it is usual for a type of company to control the production of both, it has to be applied restrictively in order not to dilute it.²⁷⁵ The Guidelines give the example that if all kinds of goods were considered to usually be deriving from one large conglomerate company the factor would lose its significance.²⁷⁶

When determining the usual origin of a product, the EUIPO guidelines provide the examples of whether the goods are typically produced by the same production enterprises due to e.g. the same manufacturing sites, similar methods of manufacturing using the same tools and machines, or shared technical know-how.²⁷⁷ However established trade customs is of particular importance, such as what range of goods certain type of undertakings has come to usually provide, including the custom of expanding certain businesses to neighbouring markets.²⁷⁸ Whether such expansions is custom or not it is necessary to determine whether it is common in the industry if it only occurs in more exceptional cases.²⁷⁹ It is typical or common if a large number of the producers or distributors of the goods are the same.²⁸⁰

As similarity of goods is assessed from the perspective of the relevant public, it does however not matter if there is objectively no usual origin, if the relevant public may think that there is.²⁸¹

Thus the GC held that cheese and milk may be thought to have the same origin, as the consumer might not be aware of that fact that cheese manufacturers never or rarely produce milk, but may still believe that the cheese and milk come from the same undertaking, due to that cheese is made from milk.²⁸²

²⁷⁴ EUIPO Guidelines C.2.2; 3.2.8 Usual origin (producer/provider).

²⁷⁵ EUIPO Guidelines C.2.2; 3.2.8 Usual origin (producer/provider).

²⁷⁶ EUIPO Guidelines C.2.2; 3.2.8 Usual origin (producer/provider).

²⁷⁷ EUIPO Guidelines C.2.2; 3.2.8.1 Features defining a common origin.

²⁷⁸ EUIPO Guidelines C.2.2; 3.2.8.1 Features defining a common origin.

²⁷⁹ EUIPO Guidelines C.2.2; 3.2.8.1 Features defining a common origin.

²⁸⁰ GC T-505/12 «Longines» para 70.

²⁸¹ GC T-237/11 «Lidl» para 88.

²⁸² GC T-237/11 «Lidl» para 88, GC T-85/02 «Castello» para 33.

Manufacturers of cosmetics and manufacturers of soaps, perfumery and toiletries have been held to quite often be the same.²⁸³

Regarding beer and wine it has been held that the relevant public make distinctions between beer and wine by recognising that they do not belong to the same family of alcoholic beverages, and they know that the production of beer and wine is done by different undertakings, they would therefore not consider it normal for wine to come from an undertaking producing beer and vice versa.²⁸⁴

In «Pukka» the GC held that numerous major brand companies in the clothing sector that produce belts does not just produce classic bags and handbags, but also produce luggage and travel bags.²⁸⁵ Specialised luggage and suitcase producers also often manufacture fashion accessories, such as belts.²⁸⁶ In particular, in the luxury fashion business, the consumer is used to the practice of belts and luggage and travelling bags being marketed together.²⁸⁷

As trade customs may change over time, newer decisions may seem contradictory to older decisions but the difference in outcome could just as well be that customs have changed or at least that the evidence provided and/or the general knowledge of that the relevant public's knowledge of the customs has changed.

In earlier case-law the GC held that an argument that it was customary in the market for producers of shoes to also be involved in the production of handbags could not be accepted.²⁸⁸ However, later it has been claimed in the EUIPO Guidelines that it is customary in the market for producers of shoes to also be involved in the production of handbags.²⁸⁹

But in «Longines» the GC held that even if certain commercially successful fashion designers now manufacture accessories including watches and jewellery

²⁸³ GC T-418/03 «La Mer» para 111-112.

²⁸⁴ GC T-175/06 «Mezzopane» para 69.

²⁸⁵ GC T-483/10 «Pukka» para 25.

²⁸⁶ GC T-483/10 «Pukka» para 25.

²⁸⁷ GC T-483/10 «Pukka» para 25.

²⁸⁸ GC T-169/03 «Sergio Rossi» para 64, 66.

²⁸⁹ EUIPO Guidelines C.2.2; 3.2.8.1 Features defining a common origin.

in addition to clothing and footwear, it is at the very most a recent phenomenon, which in the absence of evidence, must be held to be somewhat marginal.²⁹⁰ In addition, even if it was established that among certain commercially successful fashion designers in the luxury sector, all such goods come from the same producer, it has not been established that the consumers are informed of such practices and that they normally would expect that the same undertaking could be responsible for the manufacture of all the goods, considering that they at first sight are not related nor fall within the same family of goods.²⁹¹ There are significant differences in the nature of the goods, their manufacturing processes the know-how necessary for the creation of a quality product.²⁹²

Regarding pharmaceuticals, the GC has once again held that they all, even including veterinary pharmaceuticals, are perceived as coming from the same commercial origin, which is pharmaceutical companies.²⁹³

The GC has held and the EUIPO guidelines state that “usual origin” cannot in itself amount to similarity.²⁹⁴ The GC has held that this is due to that a likelihood of confusion as to origin presupposes a similarity of goods.²⁹⁵ That is why perfumes and clothing has been held to be dissimilar, even if it were to be proven that the relevant public is accustomed to fashion industry products being marketed under perfume trade marks, or vice versa, for example due to the practice of granting licences.²⁹⁶

²⁹⁰ GC T-505/12 «Longines» para 71.

²⁹¹ GC T-505/12 «Longines» para 73.

²⁹² GC T-505/12 «Longines» para 72.

²⁹³ GC T-288/08 «Cadila Healthcare» para 44, GC T-331/09 «Tolposan» para 34.

²⁹⁴ GC T-150/04 «Tosca Blu» para 33-34, EUIPO Guidelines C.2.2; 3.2.8.1 Features defining a common origin.

²⁹⁵ GC T-150/04 «Tosca Blu» para 33-34, 38.

²⁹⁶ GC T-150/04 «Tosca Blu» para 38.

3.6.3 Shared end users/same end consumers (relevant public)

While the intended end user-factor was included as a relevant factor already in the original English translation of the Canon case, as stated above this was due to a mistranslation of the judgement which was subsequently corrected. The correct translation now includes the intended purpose of the goods-factor as the correct factor listed in Canon instead. Although, this has not stopped courts from applying the factor of shared end users as well and there has also been nothing stopping them from doing so as the Canon list is a non-exhaustive.

The EUIPO Guidelines however does not refer to this factor as the end user, but the relevant public, claiming that the end user of animal food are animals. This logic seems a bit excessive, as it should be clear that the factor refers to whether the goods target the same end consumers.

The Guidelines state that while goods sharing their relevant public is not in itself an indication of similarity, largely diverging publics weigh heavily against similarity. The guidelines provide the example of television sets, cars, and books, which are all bought by the public at large, and thus have no bearing on the similarity.

It can however be argued that it is not a standalone similarity factor as such. In «Harper Hygienics» the CJEU seemingly did not consider it to be a factor of its own, but to be a part of the in competition-factor, when approving the GC's use of the same end customer-factor by apparently rephrasing it into that it was correct that the CG must take the in competition-factor into account when assessing the similarity of the goods.

Shared end consumers is also relevant in the complementary-factor, as goods that are not used by the same consumers cannot be considered necessary or important for the use of the other, as the purchase of the one would not lead the same buyers to purchase the other.

From an origin confusion consideration perspective, it is arguably not that common that the relevant public would find it more likely that the goods come from the same commercial origin because of who else is buying the goods. But it could be that the relevant public finds it more likely that an undertaking would expand their range of products to additional products that target the same consumers.

However, the fact that the goods are not used by the same consumers may arguably be a factor that could counteract any similarity. In such a scenario, the relevant public would likely often not consider the goods to be similar because they lack the necessary degree of familiarity with both goods in question.

3.7 Conclusions on direct confusion considerations among the factors

It is clear from the examination of the factors acknowledged to be relevant for assessing the similarity of the goods that origin confusion considerations also affect the assessment of similarity and the relevant factors concerned. Some factors, such as the complementary, shared distribution channels and the usual origin-factor have requirements that are directly related to origin confusion consideration. Both the complementary factor and the usual origin factor has origin confusion incorporated as a part of the requirement for relevant similarity. The shared distribution channels-factor considers origin confusion in the sense that a shared distribution channel is more or less deemed irrelevant if the nature of the common place of sale means that it would not be used by the relevant public to reflect over whether goods share a common commercial origin.²⁹⁷ This is often the case when the shared distribution channel is a general department

²⁹⁷ GC T-443/05 «El Corte Ingles» para 44.

store or supermarket, where the relevant public has been deemed to be aware of that the goods come from a multitude of independent undertakings.²⁹⁸

Other factors such as the nature of the goods, their intended purpose, their method of use and whether they are in competition may at first glance seem more related to the intrinsic qualities of the goods themselves. However, as with the three factors above, there are reasons to believe that also those latter factors have been deemed relevant due to origin confusion considerations as well, as consumers are likely more prone to believe that goods come from the same commercial origin if they are closely connected in a manner that it would make sense that an undertaking would also be responsible for the production of both, as they may find it more likely that an undertaking would be responsible also for other goods with similar intrinsic qualities, due to e.g. economies of scale and as that would give consumers a wider range of options to choose from.

But when the courts have been applying those factors on a case by case basis it is more unclear to what extent the courts have considered origin confusion as an underlying rationale, and in particular at the stage when they establish the necessary level of abstraction needed for the goods to be considered similar under each factor.

For some goods such as pharmaceuticals, the level of abstraction applied for the different factors may seem very generous in general. Some have even questioned whether this approach has been influenced by a desire to give pharmaceuticals a strong protection against confusion.²⁹⁹ However, it could just as well be that there actually is a higher general risk of origin confusion in the pharmaceutical sector, and where a too narrow level of abstraction would also prevent the possibility of a global appreciation of likelihood of confusion. While the general public is aware that different drugs have different therapeutic indications, it does not in itself mean that the relevant public would rule out that an identical or similar sign for other pharmaceutical preparations with very

²⁹⁸ GC T-443/05 «El Corte Ingles» para 44.

²⁹⁹ Fhima & Gangjee p. 110.

different therapeutic indications come from the same commercial origin. This could indicate that the proper level of abstraction has been chosen to protect from origin confusion, and thus preventing that the similarity of goods test precludes a global appreciation of likelihood of confusion.

Regarding goods in the fashion industry, the establishment of the level of abstractions seem more inconsistent. Some goods have been considered similar mainly because they share the same raw material, while fashion accessories in general are deemed dissimilar due to such factors as a lack of shared raw material.

Concerning beverages of different types, alcoholic and non-alcoholic, origin confusion considerations seems to be very prevalent in the sense that the GC seem to have a clear underlying belief that it is common knowledge that the general public has a clear understanding that alcohol producers does not also produce other types of alcohol or non-alcoholic beverages. Consequently, these goods are persistently considered dissimilar, at least until the day concrete adequate evidence is provided of the contrary. Contrary to what has been assumed about the stronger protection of pharmaceuticals, the examination of case-law regarding beverages may therefore instead give the impression that the apparent focus on origin confusion is actually a focus on preventing producers of beverages from receiving a wider scope of protection in the beverage sector. One can also only speculate if the GC had held e.g. beer and wine to be in competition if there were no CJEU taxation case law holding that to be the case.

3.8 Direct confusion considerations when assessing similarity?

Having addressed origin confusion considerations and the level of abstraction challenges per relevant factor, a question still remains as to how similar the goods must be to be considered having a minimum degree of similarity. It is clear however that not all factors must be fulfilled as even some factors, such as the in

competition and the complementary factor, are seemingly conflicting factors.³⁰⁰ While all relevant factors relating to the goods has to be taken into account, even factors which are relevant in general may also be disregarded if deemed not relevant to the relationship between the goods in question.³⁰¹ The requirements as to what is sufficient may therefore differ depending on the goods and the degree of similarity among the factors.³⁰²

From current case-law it is however clear that the existence of similarity under only one of the relevant factors is not in itself a guarantee that a minimum of similarity is reached.³⁰³ Even in cases of an identical method of use, such a similarity has been held to not be sufficient to establish similarity of goods without further any similarity among the goods.³⁰⁴

For beverages, the dissimilarities found between wine and other beverages have outweighed the fact that the end-users and method of use are the same.³⁰⁵

For certain fashion items, while goods have been found to be sold in the same shops, such an indication of similarity was not sufficient to cancel out the differences between the goods.³⁰⁶

Regarding pharmaceuticals they have been considered similar even if they are not necessarily in competition nor complementary, as the similarities outweigh the differences.³⁰⁷

The GC has also held that while there is a degree of complementarity between wine glasses, carafes, decanters on the one hand, and wine, on the other, the complementarity was held to not be sufficiently pronounced for the consumer to find the goods similar.³⁰⁸ This assessment was appealed to the CJEU in

³⁰⁰ Fhima & Gangjee p. 131.

³⁰¹ GC T-483/10 «Pukka» para 28.

³⁰² Fhima & Gangjee p. 131.

³⁰³ GC T-443/05 «El Corte Ingles» p. 42, 55.

³⁰⁴ EUIPO Guidelines C.2.2; 3.2.3 Method of use.

³⁰⁵ GC T-175/06 «Mezzopane» para 83.

³⁰⁶ GC T-169/03 «Sergio Rossi» para 65.

³⁰⁷ GC T-154/03 «Biofarma» para 49-51, GC T-483/04 «Armour Pharmaceutical» para 70-71.

³⁰⁸ GC T-105/05 «Waterford» para 34-35.

«Waterford», which held that the GC had still carried out a detailed assessment of the similarity of the goods on the basis of the Canon factors, and had thus not erred in law.³⁰⁹

However, it may be sufficient that only one of the factors can demonstrate a similarity among the goods to establish a minimum level of similarity.³¹⁰ More recently, in «Kurt Hesse» the CJEU has confirmed that complementarity can be such a sole factor which establishes similarity between goods, despite the absence of similarity among factors such as the nature of the goods, their methods of use or distribution channels.³¹¹

The fact that the CJEU held in «Waterford» that the GC had not erred in law when they ruled out a minimum degree of similarity of goods while having acknowledged a degree of complementarity, and the fact that the CJEU later has held that complementarity can be enough to establish similarity, may seem somewhat contradictory and may also be appropriate to analyse in the light of the CJEU's recent decision in «Equivalenza Manufactory».

«Equivalenza Manufactory» did not concern the similarity of goods, but was a case regarding the assessment of similarity of signs. As discussed in chapter 2.3.1, such an assessment is carried out by conducting a visual, aural, and conceptual comparison among the signs to assess whether there is a minimum degree of similarity and what the degree of similarity is. However, the practices of the GC had been inconsistent regarding whether the visual, aural and conceptual similarities and dissimilarities could be weighed against each other under a “global appreciation of similarity”, to assess whether or not there is a minimum degree of similarity, or if it would be enough that some similarity was found under one of the factors to establish such minimum degree. In the latter approach the weighing of the factors would have to be carried out in the global

³⁰⁹ CJEU C-398/07 P «Waterford» para 35.

³¹⁰ CJEU C-50/15 P «Kurt Hesse» para 23.

³¹¹ CJEU C-50/15 P «Kurt Hesse» para 23-25.

appreciation of likelihood of confusion, where all other relevant factors also have to be taken into consideration.³¹²

However, the former approach had seemingly already been supported by the CJEU in the relatively recent decision «Wolf Oil»³¹³, where the CJEU had confirmed that “the neutralisation of the visual and phonetic similarities of the signs at issue by their conceptual differences is examined when making the overall assessment of the similarity of those signs”.³¹⁴

The AG gave an opinion that the CJEU should adopt a clear position in favour of one of the methods, but also had the view that the CJEU should decide on the latter approach instead because that approach would be “more in line with the scheme” of the likelihood of confusion protection.³¹⁵

Consequently, in «Equivalenza Manufactory», the CJEU seemingly came to retract their opposite approach in «Wolf Oil», in line with the AG’s opinion, and held that the latter approach is the correct approach.³¹⁶ The CJEU therefore held that the GC had erred in law when it had held that the phonetic similarity of the signs was counteracted by their conceptual dissimilarity and thus found them to lack a minimum degree of similarity, and consequently did not carry out a global appreciation of the likelihood of confusion.³¹⁷ The CJEU stressed that it is only in the exceptional case where the relevant public immediately grasps a clear and specific meaning of one of the signs, where such a meaning may cause the relevant public to not find the signs similar at all and a counteracting effect happens within the similarity test.³¹⁸ Consequently, the CJEU dismissed the approach of a “global appreciation of similarity” preceding a global appreciation of likelihood of confusion.

³¹² AG C-328/18 P «Equivalenza Manufactory» para 57.

³¹³ CJEU C-437/16 P «Wolf Oil».

³¹⁴ CJEU C-437/16 P «Wolf Oil» para 44, AG C-328/18 P «Equivalenza Manufactory» para 61.

³¹⁵ AG C-328/18 P «Equivalenza Manufactory» para 62, 64, 66-67.

³¹⁶ CJEU C-328/18 P «Equivalenza Manufactory» para 75-77.

³¹⁷ CJEU C-328/18 P «Equivalenza Manufactory» para 77.

³¹⁸ CJEU C-328/18 P «Equivalenza Manufactory» para 75-77.

Further reasoning as to why this approach is the favoured one is found in the AG's opinion. There the AG stresses that the preferred approach arguably makes more sense from a policy standpoint as the aim of the likelihood of confusion protection essentially is to protect the competitive interests of economic operators, by preventing signs that may undermine a trade mark's function as an indication of origin.³¹⁹ The similarity assessment should therefore not be used as a tool to balance this interest with competition interests further. That might prevent trade mark proprietors from invoking their rights in cases where use would amount to likelihood of confusion, if all relevant factors are taken into account in the global appreciation, because the signs have been deemed to lack a minimum degree of similarity due to a counteracting reasoning. While the AG found it correct that one may assess the degree of similarity one factor at a time, it is another to then balance the degrees of similarity and the differences found in respect of those different factors within the similarity test.³²⁰ A global appreciation at the similarity stage mistakes the stage of assessing similarity with the stage of assessing likelihood of confusion, which potentially prejudices the question of likelihood of confusion already at the stage of assessing similarity, which therefore goes beyond the objective of the similarity assessment.³²¹

The AG argues that an assessment of the overall similarity of the signs leads to the risk of masking elements which, if all of the other relevant circumstances of the case had been taken into account, would have been capable of demonstrating a likelihood of confusion.³²² Dissimilarity under one of the factors should not at the similarity stage 'erase' from the outset, a degree of similarity that has been found in respect of one of the other factors.³²³ The trade mark proprietor should instead have a fair opportunity to demonstrate a likelihood of confusion and the need for protection, by having the opportunity to demonstrate

³¹⁹ AG C-328/18 P «Equivalenza Manufactory» para 79.

³²⁰ AG C-328/18 P «Equivalenza Manufactory» para 71.

³²¹ AG C-328/18 P «Equivalenza Manufactory» para 73.

³²² AG C-328/18 P «Equivalenza Manufactory» para 72.

³²³ AG C-328/18 P «Equivalenza Manufactory» para 75.

that when taking all the relevant circumstances into account, they give rise to a likelihood of confusion despite factors counteracting similarity.³²⁴ Therefore the similarity requirement should remain a minimum prerequisite in order to invoke rights, which should not, except in cases of a manifest failure, be used to cut short the primary focus of whether a likelihood of confusion is present.³²⁵

Finally, the AG stresses that carrying out a global appreciation at the similarity stage may jeopardise legal certainty, as the exercise of balancing the similarity factors often lacks clarity.³²⁶

The AG also reiterated that an obligation to carry out a global appreciation of likelihood of confusion where a degree of similarity under only one of the factors has been found, does not mean that a likelihood of confusion must automatically exist even if the goods in question are identical.³²⁷ The same does of course apply also the other way around, as a minimum degree of similarity of goods and identical signs does not automatically result in a likelihood of confusion.

Considering the arguments put forward by the AG in regard to the similarity of signs test, a strong case could be made that those same arguments may be just as relevant to the similarity of goods test. Consequently, in the light of «Equivalenza Manufactory» it is desired that the CJEU would rule on the minimum degree of similarity of goods and when only one of the factors is enough by itself to constitute such a minimum degree.

It can be argued that the focus of the similarity of goods test should be on whether there is at least one element shared by the goods that is relevant to whether the relevant public may, in the abstract, think that responsibility for the production of those goods lies with the same undertaking. That would arguably be the case when the goods in question have been held to be similar under at least one of the relevant factors while applying a level of abstraction under origin

³²⁴ AG C-328/18 P «Equivalenza Manufactory» para 80.

³²⁵ AG C-328/18 P «Equivalenza Manufactory» para 80.

³²⁶ AG C-328/18 P «Equivalenza Manufactory» para 86.

³²⁷ AG C-328/18 P «Equivalenza Manufactory» para 82.

confusion considerations. This approach would seemingly also fit better with the CJEU's statement in «Ferrero» regarding the threshold for the minimum degree of similarity of goods, that a faint similarity is enough. It would also, maybe somewhat ironically considering the GC's current practice, be in line with the GC's statement that even a slight similarity should be enough to reach the threshold of a minimum degree of similarity of goods.³²⁸

In line with the CJEU's decisions in «Kurt Hesse» and «Equivalenza Manufactory» and the argumentation put forward by the AG in «Equivalenza Manufactory», it is therefore argued that all of the «Canon» factors are or at least should be such standalone factors that are capable of meeting the minimum degree of similarity of goods by themselves. The modicum requirement would then be at least partial similarity under one of these factors, in the sense that the goods share at least one element relevant to the public when making up their mind about the origin of the goods, which would mean that the relevant public, in the abstract, may risk thinking that responsibility for the production of those goods lies with the same undertaking. If similarity is found under only one of the relevant factors, the lack of similarity among the rest of the relevant factors should then as a rule not affect that the threshold of a minimum degree of similarity has been reached. The exception being a case where such a clear dissimilarity is found among one of the other factors, that would make the relevant public understand that the goods do not come from the same commercial origin.

Regarding the CJEU's statement in «Kurt Hesse» it must however be recalled that the CJEU's conclusion was given while the GC had applied the stricter additional requirement of origin confusion in the complementary test's current form, which arguably makes the factor the hardest to fulfil at present time.

This suggested approach would mean that such factors as the usual origin-factor should also be able to meet the criteria of minimum degree of similarity of

³²⁸ C-552/09 P «Ferrero» para 66, GC T-505/12 «Longines» para 40, GC T-443/05 «El Corte Inglés» para 40.

goods by itself. However, the GC has held that the usual origin-factor alone is not enough to establish a minimum degree of similarity since likelihood of confusion presupposes a minimum similarity of goods and the principle of speciality. However, it may be argued that the “usual”-qualifier is the relevant qualifier for why the goods must be considered to fulfil a minimum degree of similarity as it is the usual common origin that makes the goods related, which is therefore not necessarily in conflict with the principle of speciality. If a usual origin is established due to shared manufacturing sites, similar methods of manufacturing using the same tools and machines, or shared technical know-how, or an established trade custom that requires a large number of producers or distributors to be the same, to the extent that the relevant public may believe that the goods come from the same commercial origin, that in itself should be enough of an abstract similarity that gives the goods a minimum degree of similarity. This would be in contrast to the mere perception by the relevant public that the goods may come from the same commercial origin, without the “usual”-qualifier. Third party use of a trade mark such as Kodak for bicycles, if only registered for cameras, could therefore never amount to a minimum degree of similarity of goods even if the relevant public were to believe the commercial origin to be the same.³²⁹ Bicycles and cameras do not have the same manufacturing sites, similar methods of manufacturing using the same tools and machines, shared technical know-how, or in particular no established trade custom of a large number of producers or distributors of bicycles that are also responsible for camera production or vice versa.

The same would apply to the shared distribution channels factor. As it would require at least partial similarity in the sense that they share at least one element shared by the goods that is relevant to whether the relevant public may think that responsibility for the production of those goods lies with the same undertaking. An appropriate level of abstraction would mean that the mere sharing of

³²⁹ cf. *Eastman Kodak Co v Kodak Cycle Co* (1898) 15 R.P.C. 105.

department stores and supermarkets in general as their common distribution channels is not enough, if that is held to not be relevant in whether the relevant public may think that responsibility for the production of the goods lies with the same undertaking.

In addition, in the light of the arguments put forward by the AG, it could also be argued that some tests in their current form are too strict, such as the complementary factor with its several requirements. Merely the fact that certain goods are very often used together in some sort of coordinated manner could arguably be of relevance to the similarity test, considering the risk of origin confusion in the abstract. This despite the goods not necessarily having such a close connection between them to the extent that consumers may think that responsibility for the production of those goods lies with the same undertaking, with the requirement that consumers must find it usual for those products to be sold under the same trade mark, which normally implies that a large number of producers or distributors of these products are the same. This could arguably be a too strict of a requirement that risks prejudging the question of a likelihood of confusion already at the stage of assessing similarity, which therefore arguably goes beyond the objective of the similarity assessment. Under the usual origin-factor the EUIPO guidelines acknowledges the danger of using that factor to turn the examination of likelihood of confusion and similarity of goods “up-side down”. It however seems that this is not unlike what is now currently being done the other way around in the complementary factor test, as goods are prevented from being held as complementary even in the case where one is indispensable or important for the use of the other.

4 LoA considerations in the similarity of goods test?

4.1 What does ‘economically-linked undertakings’ mean in the context of LoC?

4.1.1 Interpretation of ‘economically-linked undertakings’

While it is clear that origin confusion is relevant to the similarity of goods test, and it is argued that even further consideration to the protection of the origin function should be considered when carrying out the comparison of goods assessment, a question is also whether origin confusion in the sense of a relevant likelihood of association (indirect confusion), is relevant to the similarity of goods test.

While the CJEU has held that a relevant likelihood of association in the context of likelihood of confusion is present when the public makes a connection between the a sign and a trade mark and confuses them, by being mistaken as to the origin of the goods by thinking that the undertakings are economically- linked undertakings, the CJEU has not yet addressed what ‘economically-linked undertakings’ mean in the context of likelihood of confusion.³³⁰ The closest CJEU has come to explain the concept in the context of likelihood of confusion is when the concept has been addressed in relation to the similarity of signs test,

³³⁰ EUIPO Guidelines C.2.1; 3.2 Likelihood of confusion and likelihood of association.

in regard to e.g. an element's independent distinctive role³³¹ within a composite mark and the protection of family marks³³².

When embarking on the process of interpreting EU terminology, all language editions of an EU law instrument are equally relevant for the literal interpretation of a term within the specific provision, as EU law is multilingual.³³³ If there is divergence between the various language versions or general doubt as to the literal interpretation, the provision must be interpreted systematically and teleologically by reference to the purpose and general scheme of the rules of which it forms part.³³⁴

But due to the fact that the term has been coined in case-law by the CJEU, the interpretation has to take into account that The Rules of Procedure state that a CJEU judgment is binding in the language of the case. However, it may also not be disregarded that the de facto working language of the CJEU is French and that the courts judgment are drafted in French.³³⁵ While the language of the case in the «Canon» judgement was German, neither the terminology used in the German version “wirtschaftlich miteinander verbundenen Unternehmen”, the French version “d'entreprises liées économiquement” nor the English version for that matter, provides much guidance under a literal interpretation, as they all simply indicate that it concerns a situation where two or more commercial entities are connected in an economical manner.

Interpreted broadly this could mean that even a trade mark proprietor and an independent reseller could be considered as connected in an economical manner, through the resellers purchase of goods bearing the trade mark proprietor's mark, from the trade mark proprietor.

³³¹ CJEU C-120/04 «Medion» para 30-33, CJEU C-51/09 P «Barbara Becker» para 34, CJEU C-23/09 P «ecoblue» para 45.

³³² CJEU C-234/06 P «Bainbridge» para 63.

³³³ CJEU C-283/81 «CILFIT» para 18, C-41/09 «Live animals» para 44.

³³⁴ C-41/09 «Live animals» para 44.

³³⁵ Łachacz, Olga; Mańko, Rafał, *Multilingualism at the CJEU: Theoretical and Practical Aspects*, Studies in Logic, Grammar and Rhetoric 34 (47), 2013 [cit. Łachacz & Mańko] p. 80.

But when further guidance is sought in the context and purpose of the terminology, such a broad interpretation is not purposive. As confusion as to origin has been held as the risk that the public might believe that the goods come from the same undertaking or from economically-linked undertakings, it does not make sense that the trade mark proprietor should be protected against the use of a third party that would indicate that the goods originate from an independent reseller.

The protection against likelihood of confusion is intended to protect the proprietor's interests in the sense that it ensures that the trade mark can fulfil its function as a guarantee that the trade mark is an indication of origin. The protection of the origin function requires that the consumer or end-user can distinguish the origin of the goods, and thus offers the consumer a guarantee that all the goods or services bearing it have been manufactured and supplied under the control of a single undertaking to which responsibility for their quality may be attributed.³³⁶ However the trade mark proprietor is not able to guarantee that goods sold by an independent reseller bearing their trade mark have been manufactured and supplied under their control and thereby enact responsibility for their quality, as there are no extensive legal instrument which lets the trade mark proprietor exercise control over an independent undertakings and quality of the goods they sell. On the contrary, it is when an independent reseller uses the trade mark that trade mark infringement might arise.

The identical phrase “economically-linked undertakings” has also been used in relation to other situations of EU trade mark law, and the EUIPO guidelines advocate an analogy with the exhaustion rules. However, no reason has been offered as to why such an analogy is appropriate. As these rules all have a different purpose, further studies of the concept of ‘economically-linked undertakings’ in the context of those separate rules will now follow, as to the relevance of the use and interpretation under each rule, in the light of the

³³⁶ AG C-418/02 «Praktiker» para 46.

considerations mentioned above and whether such an analogy seems appropriate.

4.1.2 ‘economically-linked undertakings’ in other parts trade mark law

Exhaustion when goods are put on the market by a third party

An EUTM gives the trade mark proprietor the right to prevent any third party from, inter alia, importing goods, stocking goods, offering goods, or putting goods bearing the mark on the market.³³⁷ The trade mark proprietor is however not entitled to prohibit such use of the trade mark in relation to individual items of goods bearing that trade mark, if they have been put on the market in the EEA by the EUTM proprietor or with the proprietor’s consent.³³⁸ Such goods are subject to exhaustion.

The principle of exhaustion within the EEA was introduced with the aim of preventing trade mark rights from being exercised in a way that would compartmentalise the internal market, through the partitioning of national markets.³³⁹ The principle is therefore a result of EU law reconciling and striking a balance between the fundamental interest in protecting trade mark rights on the one hand and the free movement of goods within the internal market.³⁴⁰

While exhaustion applies also when the trade mark proprietor has consented to the goods being put on the market, the EUTMR does not define what consent entails.³⁴¹ The concept of consent must still be interpreted uniformly.³⁴²

³³⁷ EUTMR art. 9.3.

³³⁸ EUTMR art. 15.1.

³³⁹ AG C-291/16 «Schweppes» para 26.

³⁴⁰ CJEU C-291/16 «Schweppes» para 35, AG C-291/16 «Schweppes» para 26.

³⁴¹ Hasselblatt p. 448.

³⁴² CJEU C-414/99 - 416/99 «Zino Davidoff» para 37, 43.

As exhaustion means that proprietor's trade mark exclusive rights are extinguished, equivalent to a renunciation of the rights, it is considered a serious effect for the proprietor. It has therefore been held that the consent must be expressed so that an intention to renounce those rights is unequivocally demonstrated.³⁴³ Such an intention will normally be found in an express statement of consent from the proprietor.³⁴⁴ However, it is not precluded that consent can be inferred from the facts and circumstances in the specific case if the evidence in support of implied consent is capable of positively establishing that the trade mark proprietor has unequivocally demonstrates that has renounced his rights.³⁴⁵ This means that consent cannot follow from acquiescence, as acquiescence merely involves a passive attitude as to not invoking rights.³⁴⁶

In addition, the interest of protecting the free movement of goods has however led to the CJEU holding that such the rule of consent 'can be qualified'.³⁴⁷ Therefore goods put on the market by an operator with economic links to the proprietor, for example a licensee, may also extinguish the rights by exhaustion.³⁴⁸

In «IHT» the CJEU exemplified a number of situations where such an economic link is present by listing inter alia, a licensee, a parent company to the proprietor, a subsidiary of the same group or an exclusive distributor.³⁴⁹

³⁴³ CJEU C-414/99-C-416/99 «Zino Davidoff» para 45, CJEU C-59/08 «Copad» para 42.

³⁴⁴ CJEU C-414/99-C-416/99 «Zino Davidoff» para 46, CJEU C-59/08 «Copad» para 42, CJEU C-127/09 «Coty» para 38.

³⁴⁵ CJEU C-414/99-C-416/99 «Zino Davidoff» para 46, CJEU C-324/08 «Makro Z» para 25-28, CJEU C-127/09 «Coty» para 38.

³⁴⁶ CJEU C-414/99-C-416/99 «Zino Davidoff» para 54-57, AG C-661/11 «Martin Y Paz» para 65.

³⁴⁷ CJEU C-324/08 «Makro Z» para 23, AG C-291/16 «Schweppes» para 32.

³⁴⁸ CJEU C-10/89 «Hag II» para 12, CJEU C-9/93 «IHT» para 34, CJEU C-59/08 «Copad» para 43, CJEU C-324/08 «Makro Z» para 24, CJEU C-127/09 «Coty» para 29, CJEU C-46/10 «Viking Gas» para 27, AG C-291/16 «Schweppes» para 32, Kur & Senfleben p. 441-442, Hasselblatt p. 448.

³⁴⁹ CJEU C-9/93 «IHT» para 34, CJEU C-291/16 «Schweppes» para 44.

Exhaustion due to the action of such an economically-linked undertaking would mean that the trade mark still keeps its essential function as a guarantee that all the goods bearing the trade mark have been manufactured under the control of a single undertaking which is responsible for their quality.³⁵⁰ The CJEU has held that the decisive factor is the possibility of control over the quality of the goods, not the actual exercise of that control, as the possibility of control is sufficient for the trade mark to be able to fulfil its essential function.³⁵¹ Consequently the CJEU has held that a contract of assignment by itself does not give rise to an economic link as it does not give the assignor any means of controlling the quality of products which are marketed by the assignee and to which the latter has affixed the trade mark.³⁵² In contrast, a licensee in particular is such an operator with an economic links to the proprietor, as the proprietor in the capacity of a licensor is able to control the quality of the licensee's goods by including specific provisions in the licence agreement that requires the licensee to comply with certain instructions and that enables the proprietor to follow up on compliance.³⁵³ If the licensor still tolerates the licensee's manufacturing of poor quality goods, despite having such contractual means, he must bear the responsibility.³⁵⁴ Therefore, a licensee's act of putting goods bearing the mark on the market, must, as a rule be considered as done with the consent of the proprietor.³⁵⁵

The CJEU has clarified that it is only when the licensor disregards a provision in a licence agreement that corresponds to the situations listed in EUTMR art. 25(2) that the licensee can be held to have put goods bearing the trade mark on

³⁵⁰ CJEU C-10/89 «Hag II» para 12, CJEU C-9/93 «IHT» para 37, CJEU C-299/99 «Philips» para 30, CJEU C-228/03 «Gillette» para 26, CJEU C-59/08 «Copad» para 43-45, CJEU C-291/16 «Schweppes» para 36.

³⁵¹ CJEU C-59/08 «Copad» para 45, CJEU C-291/16 «Schweppes» para 45.

³⁵² CJEU C-9/93 «IHT» para 41, CJEU C-291/16 «Schweppes» para 50.

³⁵³ CJEU C-59/08 «Copad» para 43-44.

³⁵⁴ CJEU C-291/16 «Schweppes» para 45.

³⁵⁵ CJEU C-59/08 «Copad» para 46.

the market without the consent of the proprietor.³⁵⁶ The proprietor can therefore not simply plead that the license contract was wrongly implemented in order to preclude exhaustion for goods put on the market by the licensor.³⁵⁷ The economic link between the proprietor and the licensee through the license agreement itself is therefore enough to establish the necessary prior consent that causes exhaustion in all other cases where goods have been put on the market by the licensee. Alternatively, the proprietor would have to revoke the consent to preclude further cases of exhaustion in the future.³⁵⁸

Despite the CJEU's further elaboration on the concept of economically-linked undertakings, AG Mengozzi was of the opinion that the CJEU had yet to define the concept of 'economic links' when the AG's opinion in «Schweppes» was delivered in September 2017, as the CJEU had up until that point only given three examples as to what situations were confirmed to constitute an economic link - a licence, an exclusive distribution agreement or where two entities belong to the same group of entities.³⁵⁹ The AG stressed that when CJEU in «IHT» abandoned the requirement of an 'economic or legal dependence' between the trade mark proprietor and the third party, for the more simplistic 'economic links', which potentially covers a broader spectrum of relations between undertakings than the former, it reflected a shift from a formal criterion to a more substantive criterion.³⁶⁰

The AG argued that the change indicated that CJEU had abandoned a requirement of a strict dependency between the entities concerned, such as the existence of a relationship of ownership or formal contracts distributing authority, and that nature of the relations between the entities was of less importance compared to the circumstance that trade mark would be under

³⁵⁶ CJEU C-59/08 «Copad» para 46-51.

³⁵⁷ CJEU C-59/08 «Copad» para 46.

³⁵⁸ CJEU C-661/11 «Martin Y Paz» para 57.

³⁵⁹ AG C-291/16 «Schweppes» para 75.

³⁶⁰ AG C-291/16 «Schweppes» para 76-77.

unitary control as a result of those relations.³⁶¹ It is the unitary control over the trade mark that characterizes why a licence, an exclusive distribution agreement or two entities belonging to the same group of entities all have in common and not the formal aspects of the relationships.³⁶² The substantive criterion is also capable of covering additional situations to the ones exemplified by the CJEU in «IHT», as it would also be able to cover situations in which use of a trade mark is subject to the joint control of two separate entities, that act as one and the same centre of interests in the exploitation of the trade mark, even if each of them is a proprietor of respective national rights to an identical mark for identical goods.³⁶³ The single decision-making centre would then mean that the manufacturing and the marketing of the goods bearing the mark would be under a unitary control.³⁶⁴ A relevant joint control would however have to provide for the possibility of direct or indirect control over what goods may be affixed with the mark and the quality of the goods, which would amount to the entities being economically-linked.³⁶⁵ That requirement is directly related to the essential function of the trade mark, as the unitary control exercised jointly by two or more proprietors would be the centre responsible for the strategic decisions concerning the goods, that constitutes the commercial origin of which the trade mark is intended to be a guarantee.³⁶⁶

The AG argued that a coordination of commercial policies with a view to exercising joint control of the use of their respective marks, such as an aim to have their respective marks preserve and maintain the image of a unitary mark, may amount to such unitary control that two separate entities may be regarded as ‘economically linked’.³⁶⁷

³⁶¹ AG C-291/16 «Schweppes» para 77.

³⁶² AG C-291/16 «Schweppes» para 87.

³⁶³ AG C-291/16 «Schweppes» para 78.

³⁶⁴ AG C-291/16 «Schweppes» para 79.

³⁶⁵ AG C-291/16 «Schweppes» para 80-81.

³⁶⁶ AG C-291/16 «Schweppes» para 81, 85.

³⁶⁷ AG C-291/16 «Schweppes» para 82.

Regarding the concept on ‘economic link’, CJEU agreed with the AG that the concept is a substantive criterion rather than formal one, and that the situations mentioned by the court in earlier judgments were in no way exhaustive.³⁶⁸ All those situations are just examples where the trade mark proprietor or the entity of which that proprietor is part can control the quality of the goods to which the mark is affixed.³⁶⁹ While all the examples concern a situation where the trade mark proprietor may directly or indirectly profit of the economically linked undertaking putting goods on the market, that is not a relevant prerequisite.³⁷⁰

‘The key factor is the possibility of unitary control over the quality of the goods, and neither the nature or formal aspects of the relationships nor the actual exercise of control is decisive.³⁷¹ The essential function of the trade mark is in no way compromised by the principle of exhaustion applying when the goods have been put on the market in such a scenario, by an economically linked person.³⁷² The possibility of control is enough to guarantee the origin of the goods in the sense that the mark still enables customers to identify the products and offers a guarantee that those products have been produced under the control of a single undertaking that may be held accountable for their quality.³⁷³

The CJEU held that the same principles applies to joint exploitation, concurring with the AG that the necessity of a guarantee that the products have been produced under the control of a single undertaking does not prevent unitary control.³⁷⁴ While reiterating that a contract of assignment by itself gives the assignor no means of controlling the quality of the goods marketed by the assignee, and thus does not constitute an economic link, that is not the case when it follows from all the relevant circumstances of the case at hand that an

³⁶⁸ CJEU C-291/16 «Schweppes» para 46.

³⁶⁹ CJEU C-291/16 «Schweppes» para 44.

³⁷⁰ CJEU C-291/16 «Schweppes» para 88.

³⁷¹ CJEU C-291/16 «Schweppes» para 45-46, AG C-291/16 «Schweppes» para 87

³⁷² CJEU C-291/16 «Schweppes» para 43.

³⁷³ CJEU C-291/16 «Schweppes» para 36, 37, CJEU C-59/08 «Copad» para 45.

³⁷⁴ CJEU C-291/16 «Schweppes» para 49.

economic links exist between the assignor and the assignee.³⁷⁵ Such an economic link is in particular fulfilled where trade mark proprietors of identical national marks, following a division, coordinate their commercial policies or reach an agreement in order to exercise joint control over the use of those marks, so that it is possible for them to determine, directly or indirectly, the goods to which the trade mark is affixed and to control the quality of those goods.³⁷⁶ From the substantive criterion follows that the agreement is not conditional upon the proprietors being formally dependent on each other for the purposes of the joint exploitation of those marks, nor them actually taking advantage of their ability to control the quality of the goods concerned.³⁷⁷ On the contrary, the existence of economic links between trade mark proprietors normally result from trade agreements or informal arrangements not available to the public.³⁷⁸

Legitimate reasons to oppose further commercialisation by a third party

If goods bearing the trade mark have been put on the market by the proprietor or with the proprietor's consent or by an economically-linked undertaking, exhaustion may still not take place if the proprietor has legitimate reasons to oppose further commercialisation of the goods by a third party.³⁷⁹

Allowed use according to the exhaustion rules requires that the user does not act unfairly in relation to the legitimate interests of the trade mark owner.³⁸⁰ The requirement has been held to be similar to the requirement to act in accordance with honest practice.³⁸¹ The CJEU has held that further commercialisation that gives the relevant public an impression that there is a commercial connection

³⁷⁵ CJEU C-291/16 «Schweppes» para 50-51.

³⁷⁶ CJEU C-291/16 «Schweppes» para 46.

³⁷⁷ CJEU C-291/16 «Schweppes» para 49.

³⁷⁸ CJEU C-291/16 «Schweppes» para 53.

³⁷⁹ EUTMR art. 15.2.

³⁸⁰ CJEU C-337/95 «Evora» para 45.

³⁸¹ CJEU C-63/97 «BMW» para 61, CJEU C-228/03 «Gillette» para 41, Hasselblatt p. 457.

between the proprietor and the reseller of otherwise exhausted individual items, is a legitimate reason to oppose further commercialisation.³⁸² Such circumstances is present when the resellers use of the trade mark does not enable, or only enables a normally informed and reasonably attentive person, with difficulty, to ascertain whether the goods originate from the proprietor or an undertaking economically linked to it, as opposed to originating from a third party.³⁸³ This applies in particular to a scenario where the impression is that a reseller's business is affiliated to the proprietor's distribution network or that there is a special relationship between the two undertakings.³⁸⁴

As an example, a normally informed and reasonably attentive person would not have difficulties with understanding that an honest and fair use of the trade mark by a reseller of second-hand goods, for the informative purpose of advertising the sale of those goods, is not in itself an indication of an economic link.³⁸⁵

Determining whether there may be an impression of an economic link, relevant factors such as the practice of the sector and what the customers are accustomed to should be taken into account.³⁸⁶

No trade mark use – no adverse affect on the trade mark functions

The CJEU has held that for trade mark infringement to take place, the sign must have been used as a trade mark in the course of trade, without the trade mark proprietor's consent, and liable to adversely affect relevant trade mark's functions.³⁸⁷ While there is no case-law on what constitutes consent is this

³⁸² CJEU C-63/97 «BMW» para 51, CJEU C-558/08 «Portakabin» para 80, Kur & Senftleben p. 444.

³⁸³ CJEU C-558/08 «Portakabin» para 34-35, 81, Hasselblatt p. 457.

³⁸⁴ CJEU C-63/97 «BMW» para 51, CJEU C-558/08 «Portakabin» para 80.

³⁸⁵ CJEU C-63/97 «BMW» para 53-54, CJEU C-558/08 «Portakabin» para 84, Kur & Senftleben p. 445.

³⁸⁶ CJEU C-46/10 «Viking Gas» para 40.

³⁸⁷ CJEU C-206/01 «Arsenal» para 54.

context, it has been claimed that an analogy can be made to the case-law on exhaustion, where consent requires that the intention to renounce trade mark rights is unequivocally demonstrated, and what that implies.³⁸⁸

The use must risk an adverse affecting the relevant trade mark's functions and the right to invoke trade mark infringement is therefore reserved to cases where the use of a third party affects or is liable to affect the functions of a trade mark, in particular its essential function of guaranteeing the origin of the goods.³⁸⁹ As the CJEU has held that the use must *adversely* affect the relevant functions of the trade mark, there is a *de minimis* requirement as to when the trade mark proprietor can invoke its rights, meaning that the use must be causing detriment to the relevant function.³⁹⁰ Some impact on the functions that does not cause relevant harm to the must therefore be tolerated by the trade mark proprietor.³⁹¹

But if the use of a sign creates an impression that there is a material link in the course of trade between the goods concerned and the trade mark proprietor, the use is liable to jeopardise the origin function and may be prevented, as there is no longer any guarantee that the goods designated by the trade mark have been manufactured or supplied under the control of a single undertaking which is responsible for their quality.³⁹²

Certain allowed use if in accordance with honest practice

Even if the prerequisites for infringement are in place, defences against infringement may be invoked. A trade mark registration does not entitle the proprietor to prevent a third party from using an identical or similar trade mark

³⁸⁸ Hasselblatt p. 336-337.

³⁸⁹ CJEU C-206/01 «Arsenal» para 51

³⁹⁰ CJEU C-487/07 «L'Oreal» para 60.

³⁹¹ Kur & Senftleben p. 298.

³⁹² CJEU C-206/01 «Arsenal» para 56-60.

in industrial or commercial matters under certain circumstances, if used in accordance with honest practices.³⁹³

The CJEU has held that ‘in accordance with honest practices in industrial or commercial matters’ is, in essence, an expression of the duty to act fairly in relation to the legitimate interests of the trade mark proprietor.³⁹⁴ It is also similar to that imposed on the reseller where the reseller uses a trade mark to advertise the resale of products subject to exhaustion.³⁹⁵ Whether or not use is made in accordance with honest practices is subject to an overall assessment of all the relevant circumstances in the specific case and in particular whether the use might be regarded as being used for unfairly competing with the trade mark proprietor.³⁹⁶

When assessing if use has been in accordance with honest practice, account must be taken of the extent to which the use might be understood by the relevant public, or at least a significant section of that public, as indicating a link between the third party’s goods and the trade mark proprietor.³⁹⁷ Considerations whether to what extent the third party ought to have been aware of that at least a significant section of that public, might understand the use as indicating a link between the third party’s goods and the trade mark proprietor should also be taken into account.³⁹⁸

However, CJEU case-law holds that in the event that the average consumer have it difficult to determine the origin of the goods, it is unlikely that the user can genuinely claim not to have been aware of the ambiguity caused by its use.³⁹⁹ The user will as a rule, have full knowledge of the economic sector in which it

³⁹³ EUTMR art. 14.

³⁹⁴ CJEU C-63/97 «BMW» para 61, CJEU C-245/02 «Anheuser-Busch» para 82, CJEU C-17/06 «Celine» para 33.

³⁹⁵ CJEU C-63/97 «BMW» para 61, CJEU C-228/03 «Gillette» para 41.

³⁹⁶ CJEU C-100/02 «Gerri» para 26, CJEU C-17/06 «Celine» para 35.

³⁹⁷ CJEU C-245/02 «Anheuser-Busch» para 83, CJEU C-17/06 «Celine» para 34, Hasselblatt p. 440.

³⁹⁸ CJEU C-17/06 «Celine», para 34, CJEU C-558/08 «Portakabin» para 67.

³⁹⁹ CJEU C-558/08 «Portakabin» para 70.

operates, alone or with assistance, decided how the use will be presented to the relevant public.⁴⁰⁰ Despite this, the mere fact that there exists a likelihood of confusion is not in itself sufficient to conclude that the use of that indication in the course of trade is not in accordance with honest practices.⁴⁰¹ But still, the use of a trade mark will in general not comply with honest practices in industrial or commercial matters if it is done in such a manner that it may give the impression that there is a commercial connection between the reseller and the trade mark proprietor.⁴⁰² Where the use does not enable the average consumer users, or enables them only with difficulty, to ascertain whether the goods originate from the trade mark proprietor or from an undertaking economically linked to it or, on the contrary, originate from a third party, it is in principle, ruled out that the use has been made in accordance with honest practices.⁴⁰³

Due cause when using a reputed trade mark

Reputed trade marks are afforded an enhanced protection against use of a sign which is causing detriment to the repute of the mark (tarnishment), detriment to its distinctive character (dilution) and third parties taking unfair advantage of the distinctive character or repute of the reputed trade mark (free-riding). However, even if the requirements for either of these situations are met, an infringement can only be found if the use of the sign was without due cause.⁴⁰⁴ If the use is justified, the trade mark proprietor of a reputed mark must tolerate the third party's use.⁴⁰⁵

⁴⁰⁰ CJEU C-558/08 «Portakabin» para 70.

⁴⁰¹ CJEU C-100/02 «Gerri» para 25-26.

⁴⁰² CJEU C-228/03 «Gillette» para 42, Kur & Senfleben p. 432.

⁴⁰³ CJEU C-558/08 «Portakabin» para 71.

⁴⁰⁴ EUTMR art. 8.5, 9.2c.

⁴⁰⁵ CJEU C-65/12 «Leidseplein Beheer» para 46.

Due cause may not only include objective reasons but may also take the subjective interests of a third party into considerations.⁴⁰⁶ This is a result of that the purpose of EU trade mark law is generally to strike a balance between the interests of, on the one hand, trade mark proprietors, in safeguarding the essential function of its trade mark, and on the other, the interests of other economic operators in having signs capable of denoting their goods.⁴⁰⁷ This is reflected in the concept of due cause, as it is intended to strike a balance between interests, by taking of the interests of the third party using that sign, while in the light of the enhanced protection enjoyed by the trade mark.⁴⁰⁸

The interest of the third party can however not prevail if the use leads to unfair competition, while use under fair competition might be justifiable.⁴⁰⁹ Thus, due cause may be present when a third party use is made under the consideration of fair competition that respect the trade mark's function as an indication of origin, if the only result of the use is that the proprietor has to adapt its efforts to acquire or preserve a reputation capable of attracting consumers and retaining their loyalty, even if the use concerns an identical sign for identical goods.⁴¹⁰ The risk that the use might have the effect that some consumers switch from goods or services bearing the trade mark is not sufficient.⁴¹¹ However, if the use does not allow for the relevant public, comprised of reasonably well-informed and reasonably observant consumers, to determine whether the user of the trade mark is a third party in relation to the proprietor or, on the contrary, if it is economically linked to the proprietor, for example by giving the impression that the user is part of the proprietor's commercial network, the origin function of the trade mark would be adversely affected.⁴¹²

⁴⁰⁶ CJEU C-65/12 «Leidseplein Beheer» para 45.

⁴⁰⁷ CJEU C-65/12 «Leidseplein Beheer» para 41.

⁴⁰⁸ CJEU C-65/12 «Leidseplein Beheer» para 46.

⁴⁰⁹ CJEU C-323/09 «Interflora» para 64, 91.

⁴¹⁰ CJEU C-323/09 «Interflora» para 64.

⁴¹¹ CJEU C-323/09 «Interflora» para 64.

⁴¹² CJEU C-323/09 «Interflora» para 49-52.

Therefore an assessment would have to be made as to if the consumer in question, on the basis of its general knowledge of the market, is aware that the two parties are not economically linked, but on the contrary are in competition with each other. If it is apparent that this is not generally known, it will have to be assessed whether the specific circumstances surrounding the use enabled the consumer to tell that the two parties are not economically linked.⁴¹³ In this context it should in particular be taken into account if the trade mark proprietor's commercial network is composed of a large number of retailers, which vary greatly in terms of size and commercial profile. Such circumstances may make it particularly difficult for the reasonably well-informed and reasonably observant consumer to determine, in the absence of any indication from the third party, whether or not the third party is part of that network.⁴¹⁴

Use that adversely affect the origin function will likely be found to be without due cause unless further circumstances in the specific case would mean that the balancing of interests would somehow allow for the opposite.⁴¹⁵

Genuine use when trade mark is used by a third party

The lack of genuine use of a EUTM is a ground for revocation of the EUTM, if there has been no genuine use within 5 years after the EUTM has been registered, or under a continuous period of 5 years, before the filing of a cancellation application of the EUTM. It is in general the trade mark proprietor who must put the EUTM to genuine use.⁴¹⁶ However also use made with the consent of the EUTM proprietor is deemed as relevant when assessing genuine use.⁴¹⁷ Such consent must be given prior to the use and lack of prior consent cannot be

⁴¹³ CJEU C-323/09 «Interflora» para 51.

⁴¹⁴ CJEU C-323/09 «Interflora» para 52.

⁴¹⁵ CJEU C-323/09 «Interflora» para 66.

⁴¹⁶ EUTMR art. 18.1.

⁴¹⁷ EUTMR art. 18.2.

redeemed afterwards.⁴¹⁸ Evidence of such consent must be provided by the trade mark proprietor.⁴¹⁹ However if the EUTM proprietor submits evidence that a third party has used the mark, such a submission may be treated as a presumption of prior consent unless the applicant of the revocation application explicitly disputes such evidence.⁴²⁰

The GC has held that the use of a trade mark by a company which is economically linked to the EUTM proprietor is presumed to be use of that mark with the proprietor's consent, and is therefore to be deemed to constitute relevant use.⁴²¹

In the context of genuine use, the relevant connection between two companies that are economically linked has been defined by the EUIPO in their guidelines as typically the use made by a licensee or other companies *economically related* to the EUTM proprietor, such as members of the same group of companies (affiliates, subsidiaries, etc.).⁴²² Also goods placed on the market by a distributor, with a trade mark affixed by the EUTM proprietor or with the proprietor's consent, constitutes relevant use as the mark is then used outwardly and publicly by a company which is economically linked to the EUTM proprietor.⁴²³

4.1.3. Defining 'economically-linked undertakings' in the context of LoC

The analysis describes the different nature and purpose of the various situations where the concept of economically-linked undertakings has been introduced.

⁴¹⁸ EUIPO Guidelines C.6.2; 2.9.2 Use by authorised third parties.

⁴¹⁹ CJEU C-416/04 P «Sunrider» para 44.

⁴²⁰ GC T-203/02 «Vitafruit» para 25.

⁴²¹ GC T-278/13 «Now» para 38.

⁴²² EUIPO Guidelines C.6.2; 2.9.2 Use by authorised third parties

⁴²³ EUIPO Guidelines C.6.2; 2.9.2 Use by authorised third parties, GC T-324/09 «Friboi» para 32.

Exhaustion deals with depriving the trade mark proprietor the right to exercise its rights and actions by economically-linked undertakings may also deprive the trade mark proprietor of invoking its rights. The rules on preventing further commercialisation is about the trade mark proprietor reclaiming those rights if an incorrect and unfair perception of the undertakings being economically-linked is perceived by the public. The same goes for third party use under the explicit limitations of trade mark rights, which requires that use to be in accordance with honest practices, and similarly for due cause under the enhanced protection. The requirement of genuine use is also about depriving the trade mark holder of rights, while in this context the actions of economically-linked undertakings may be in the trade mark proprietors favour as it may constitute such genuine use.

But while the purpose of these rules where the concept of economically-linked undertakings has been introduced all differ at least to some extent, the analysis shows that the concept is directly connected to the origin function throughout those situations and EU trade mark law, either by the protection against third party use or by otherwise making sure that the trade mark fulfils that essential function in general, to ensure that goods designated by the trade mark have been manufactured or supplied under the control of the trade mark proprietor. Therefore, analogies between the likelihood of confusion rules and e.g. exhaustion does not seem to be in conflict with the underlying interests of the likelihood of confusion protection.

The establishment of an economic link between two undertakings under these rules is treated in a similar way as when the trade mark proprietor has given an undertaking prior consent to use the mark on goods being put on the market. Goods put on the market by an economically-linked undertaking as well as by an undertaking with the consent from the trade mark proprietor, is deemed to not jeopardise the origin function, as the trade mark will still functions as a guarantee that all the goods bearing the trade mark have been manufactured under the control of a single decision-making centre which is responsible for their quality. The concept of economically-linked undertakings consequently describes a

connection between the trade mark proprietor and an undertaking, where the trade mark proprietor has the means to exercise control over what goods are affixed with the trade mark and the quality of those goods. This means that the concept of economically-linked undertakings is not dependent on the nature or formal aspects of the relationships between the two undertakings. Neither is the actual exercise of control from the trade mark proprietor. The decisive element is whether such means as contractual or corporate measures provides the trade mark proprietor with the possibility to directly or indirectly exercise control over what goods may be affixed with the mark and the quality of those goods.

However, in the context of likelihood of confusion, as likelihood of confusion and likelihood of association is assessed from the perspective of the relevant public and the average consumer, it is not decisive whether there is an actual economic-link between undertakings, but whether the relevant public may have the impression that there is a commercial connection between undertakings that allows for the trade mark proprietor to exercise control over goods affixed with the mark, which constitutes the relevant requirement.

The EUIPO Guidelines state correctly in this regard that:

*"Consequently, economic links will be presumed where the consumer assumes that the respective goods or services are marketed under the control of the trade mark proprietor. Such control can be assumed to exist in the case of enterprises belonging to the same group of companies and in the case of licensing, merchandising or distribution arrangements as well as in any other situation where the consumer assumes that the use of the trade mark is normally possible only with the agreement of the trade mark proprietor."*⁴²⁴

Factors that the CJEU have held to be relevant when assessing whether such a link may be perceived have been deemed to be, inter alia, the practice of the

⁴²⁴ EUIPO Guidelines C.2.1; 3.2 Likelihood of confusion and likelihood of association.

sector and what the customers are accustomed to, where it will have to be assessed whether the relevant public, on the basis of its general knowledge of the market, are aware of whether two undertakings are economically linked, or on the contrary, are in competition with each other. If it is apparent that this is not generally known, it will have to be assessed whether the specific circumstances surrounding the use enabled the consumer to tell that the two parties are not economically linked. If the trade mark proprietor's commercial network is composed of a large number of retailers, that vary greatly in terms of size and commercial profile, that may make it more difficult for an average consumer to determine whether the third party is part of that network, in the absence of any indication from the third party. If the average consumer believes that a third party is affiliated to the trade mark proprietor's distribution network or that there is a special relationship between the two, an economic link is perceived.

4.2 The role of likelihood of association in the similarity of goods test

It has up to this point been established that the principle of speciality has been affected by origin confusion considerations, that the underlying reason for why the Canon-factors and the additional relevant factors under the similarity of goods test are relevant due to origin confusion considerations, and that most, if not all of the factors either directly or indirectly take direct origin confusion considerations into account when the factors are applied, even if that does not necessarily apply to the level of abstraction assessments. However, the question remains if also likelihood of association considerations is taken into account or should be taken into account when similarity is assessed.

The research has shown that a relevant likelihood of association in the context of likelihood of confusion is to be interpreted as a risk that the public might believe that the goods come from economically-linked undertakings, in the sense

that the goods may come from an undertaking over which the trade mark proprietor has the possibility to control regarding both which goods are affixed with the mark and the quality of those goods. As the underlying interest of the likelihood of confusion protection is the protection of the origin function and thus preventing unauthorized third party use from undermining the trade mark's function as an indication of origin, there is seemingly no reason to separate indirect confusion from direct confusion, as the CJEU has held that both will adversely affect the origin function. There has however been limited discussions and case-law in the EU courts addressing the concept of association as a consideration when assessing similarity of goods. The case of «Tosca Blu» seems to be one of the few exceptions.

In «Tosca Blu» the applicant opposed to a registration for i.a. bags, leather goods and clothing, by relying on protection primarily for perfumes.⁴²⁵ The applicant had seemingly claimed that goods should be considered similar merely due to that the public believes that the goods come from the same undertaking or economically-linked undertakings.⁴²⁶ In support for that the applicant claimed that many undertakings in the fashion or fashion accessories sector grant licences of their trade marks for the production and marketing of perfumery articles. The public should therefore be accustomed to fashion sector articles and fine leather goods being sold under perfume trade marks.⁴²⁷ The applicant explicitly referred to Yves Saint Laurent, Bulgari, Prada, Gucci, Lacoste, Cacharel, Chanel, Dior, Kenzo, Joop!, Davidoff, Armani, Hugo Boss, Bogner and Adidas as many of the trade marks in luxury sector which covers various goods, such as leather bags, shoes, clothing and perfumes.⁴²⁸ The applicant also submitted some decisions from national courts that had accepted physically and functionally different goods, such as perfumes and clothing as nevertheless likely, because of the

⁴²⁵ GC T-150/04 «Tosca Blu» para 3, 6.

⁴²⁶ GC T-150/04 «Tosca Blu» para 17.

⁴²⁷ GC T-150/04 «Tosca Blu» para 18.

⁴²⁸ GC T-150/04 «Tosca Blu» para 19.

practice of granting licences and due to them having a certain resemblance because of their similar distribution.⁴²⁹ The GC reiterated that a likelihood of confusion presupposes that the goods are at least similar.⁴³⁰ The GC held that neither perfumery products and leather goods nor perfumery products and clothing had a minimum degree of similarity. They are plainly different as to their nature, their purpose, their method of use, and there is nothing that enables them to be regarded as in competition or complementary.⁴³¹ The GC therefore held that the principle of speciality set the limit for finding a likelihood of confusion even if the public were to be accustomed to fashion items being marketed under perfume trade marks and associate these goods with the same undertaking or vice versa.⁴³² The GC also made a more transparent assessment of the possibility of aesthetically complementary in the eyes of the relevant public, but found that there was no genuine aesthetic necessity among the goods in question even if the public is accustomed to fashion industry products being marketed under perfume trade marks because of licences.⁴³³

The decision shows that even in the case of the public believing that goods come from the same undertaking or economically-linked undertakings, due to either perceiving that the goods are produced by the trade mark proprietor itself or is aware of that accustomed to certain products being marketed under licences, that may be held to not affect the similarity of goods assessment and will seemingly neither affect the level of abstraction set under each relevant similarity factor.

However, there are indications in case-law that the perception of an economic-link in principle should affect the application of the similarity factors. The second requirement of the complementarity-factor, that requires that the connection is close to the extent that consumers may think that responsibility for

⁴²⁹ GC T-150/04 «Tosca Blu» para 20.

⁴³⁰ GC T-150/04 «Tosca Blu» para 27.

⁴³¹ GC T-150/04 «Tosca Blu» para 31-32.

⁴³² GC T-150/04 «Tosca Blu» 33-34.

⁴³³ GC T-150/04 «Tosca Blu» para 35-39.

the production of those goods lies with the same undertaking seemingly refers to both direct and indirect confusion, as it is the responsibility for the production i.e. the control over the goods which is relevant and not necessarily the undertaking being the producer themselves. This was seemingly also confirmed in an obiter dicta in «Tosca», where the GC held that yet if proved that the public is accustomed to fashion industry products being marketed under perfume trade mark licences, that point *alone* is not sufficient to compensate for the absence of similarity as such a point does not, in particular, establish the existence of an aesthetically complementary connection in the sense that one is indispensable or important for the use of the other and that consumers consider it ordinary and natural to use those goods together.⁴³⁴ The relevant public's perception of an economic link therefore seems to have met the second requirement of the complementarity test. The same would seemingly apply for the usual origin-factor requirements.⁴³⁵

⁴³⁴ GC T-150/04 «Tosca Blu» para 38.

⁴³⁵ EUIPO Guidelines C.2.2; 3.2.8.1 Features defining a common origin, Hasselblatt p. 240-241.

5 Direct and indirect origin confusion

considerations should affect the level of abstraction when applying the relevant factors

If the similarity of goods is to be assessed, there must be a benchmark under which the degree of similarity is decided. Without any such reference point, it is impossible to determine if goods are identical, similar or dissimilar, as there is no common denominator for when they are identical.

While the CJEU in «Canon» provided a list of factors that has been held to be relevant when assessing the similarity of the goods, the CJEU never provided any underlying benchmark principle or common denominator as to why they were relevant. However, as presented in chapter 3.4, the underlying benchmark is seemingly that all relevant factors are relevant due to the fact that they are both related to the goods themselves, and more importantly, helpful for determining whether the circumstances surrounding the goods themselves make them sufficiently close to induce consumers to incorrectly believe that those goods come from the same commercial origin.

However, the analysis has shown that when applying the relevant factors one by one, the level of abstraction chosen and employed under each factor can quickly become the decisive factor for whether the goods come to be deemed similar or not in the end. The level of abstraction being the requirement and abstract frame within the goods must fit to be deemed similar under each specific factor. As the similarity of goods test is subject to an assessment in the eyes of what the average consumer finds similar, the level of abstraction should arguably

be chosen while taking the average consumer's perception into account. While it has been claimed that at some level all goods are similar, it is argued here that the relevant level chosen should be the level that the relevant public is likely to use when they are making up their mind as to whether goods come from the same commercial origin or not. So, while the similarity should be interpreted under origin confusion considerations, a likelihood of confusion can never arise if there is no common denominator among the goods that the average consumer would come to rely on when considering the commercial origin of the goods. The level of abstraction would never be so broad that all goods may be considered similar.

This means that the famous old UK landmark case «Kodak»⁴³⁶, where the similarity between bicycles and cameras was held to be similar enough for a likelihood of confusion to be found, as there was a likelihood of confusion due to the reputation of the Kodak mark, would not amount to similar goods as there would still be a lack of a common denominator related to the goods themselves that the average consumer would rely on when reflecting over the good's origin.

One approach to determine the proper level of abstraction would be to assume that both goods are branded with an identical trade mark and then start at the highest, broadest level and ask whether the average consumer would both find that level rational and might use its common denominator to make up their mind about whether there is a shared commercial origin among the goods. As the perception of a common origin also includes indirect confusion, where the relevant public might believe that the goods come from economically-linked undertakings, the relevant public's possible perception of the goods being produced under the control of another undertaking, such as through a license agreement, should also be taking into account. In this context it is argued that the risk of average consumer being victim to such indirect confusion may arise at a broader level of abstraction than direct confusion, as the degree of similarity

⁴³⁶ Eastman Kodak Co v Kodak Cycle Co (1898) 15 R.P.C. 105.

may cause the relevant public to at least believe that the trade mark proprietor has branched out.

If that level would be deemed too broad under such origin confusion considerations, the assessment may proceed by applying a more narrow level of abstraction and repeating the inquiry. As an example, that would mean that when assessing such factors as nature of the goods, the intended use and shared distribution channels for comparing alcoholic and non-alcoholic beverages, the starting point for the assessment of level of abstraction may be that if confronted with identical marks, might the average consumer classify both as beverages, intended for drinking, and that are sold in stores that sell beverages, and might use those common denominators when making up their mind about if both have the same commercial origin.

If the average consumer were to find it unusual that a producer of alcoholic beverages would also produce non-alcoholic beverages, the question must be asked if there still a risk that the average consumer might at least risk believing that the identical mark indicates that the one is produced under the control of the other, such as due to a license agreement. Such a risk could arguably be present despite the average consumer not being aware of a common practice of such license agreements in the sector concerned. If so, that should arguably be reflected in the level of abstraction chosen.

This means that even if the distribution channels-factor today is given less weight in general when the goods only share general sales outlets such as department stores and supermarkets, where the relevant public is aware that goods sold come from a multitude of independent undertakings, the question must be asked whether the relevant public, for the specific goods in question, also understands that there is no economic link between the undertakings of the products even if found in these general places. Even if the relevant public may be aware that goods sold in these types of places come from a multitude of commercial origins, they may still at times find seemingly unrelated goods in those sales outlets to not be different enough to rule out that there may be an

economic link between the undertakings if affixed with an identical trade mark. In this context it can even, at least to some degree, be argued that even if goods generally sold in department stores and supermarkets may be unrelated, they have more in common than goods not usually sold in those sales outlets. There is a reason why department stores and supermarkets do not sell cars or provide travel services and why an average consumer might find it more peculiar to discover such goods or services at a supermarket, but find other more unrelated products to not be out of place in those same outlets.

If the answers to the questions posed above are no, the assessment proceeds to an even more narrow level of abstraction and so on. If the answer is yes, such a circumstance that there is a more general understanding among the public, that alcohol producers does not also produce certain other types of alcohol or non-alcoholic beverages, may still be decisive for the final outcome in the global appreciation of likelihood of confusion, after all relevant factors in the specific case have been taken into account.

This approach is however seemingly in conflict with current practices and the EUIPO Guidelines, that persistently give a general statement that the level of abstraction should be narrow without any explicit explanation as to why. It can only be assumed that the reason is related to the principle of speciality, that seeks to reconcile the exclusive rights conferred by a trade mark with competition interests and the principle of free movement of goods. However, the purpose of the principle of speciality in EU trade mark law has been held to be to limit the exclusive rights conferred by the trade mark to the actual function of the trade mark and is thus a corollary to the essential function of the trade mark. The principle has consequently not been applied in its strictest form under the likelihood of confusion protection. The principle should therefore not be used as a motive for an approach that might risk being detrimental to the same origin function the provisions aim to protect, by narrowing the scope of protection past a point of goods that both share a common element and may adversely affect the trade mark's origin function.

While the exemplified approach could lead to more cases of a minimum degree of similarity among goods being found, that is still arguably in line with underlying trade mark law rationale. Especially in the light of that the concept of similarity should be interpreted in relation to the likelihood of confusion, and that the CJEU has repeatedly held that it is the trade mark proprietor's interest that is the prevailing interest when assessing the scope of protection under the likelihood of confusion protection. The application of the factors under the similarity of goods test should therefore not be used as a way to counter that prevailing interest, which is the protection of the origin function, by at times seemingly taking competition interests into account when those factors and their level of abstraction assessments are carried out. It is therefore argued that it should be avoided that the level of abstraction is set so narrow that it risks prejudging a likelihood of confusion and risk excluding cases that may amount to a likelihood of confusion if the trade mark proprietor would be given the opportunity to have all relevant factors taken into account in the global appreciation.

Summary conclusions

The two essential components of a trade mark registration is the representation of the trade mark and the list of the goods for which registration has been sought, as they together decide the scope of protection for the trade mark. The fact that the trade mark rights conferred upon the trade mark proprietor is limited to the registered goods is usually referred to as the principle of speciality.

The principle of speciality seeks to reconcile the rights conferred by a trade mark with the principle of free movement of goods. The principle of speciality requires that the rights conferred by the trade mark are defined with precision in order to limit the exclusive rights to the actual function of the trade mark. The principle has therefore been described as a corollary to the trade mark's essential function, which is to be a guarantee of the commercial origin of the goods bearing a mark to the consumers, by enabling the consumers, without any possibility of confusion, to distinguish the goods from the goods of another origin.

According to the principle of speciality, any third party may use an identical mark for goods that falls outside the scope of protection defined by the trade mark registration. An application of the principle in its strictest form would mean that the trade mark proprietor would only be able to invoke its rights against third party use for identical goods. However, origin confusion considerations have seemingly also come to limit the principle's effect on the likelihood of confusion protection, which therefore also include similar goods as those listed in the trade mark registration. That extension of the scope of protection under the likelihood of confusion protection has been claimed to be necessary to properly protect the trade marks essential function to guarantee the commercial

origin, at the expense of a strict application of the principle of speciality. For a trade mark to be able to fulfil that function, the CJEU has held that the trade mark must offer the guarantee that all the goods bearing it have originated under the control of a single undertaking which is responsible for their quality. This is consistent with the CJEU having held that the intention of the likelihood of confusion protection is to protect the individual interests of the trade mark proprietor, which is the guarantee that the trade mark functions as an indication of origin. A likelihood of confusion arises when there is a risk that the origin function is adversely affected by a risk that the public incorrectly might believe that the goods in question come from the same, or from economically-linked undertakings.

The latter scenario refers to a relevant likelihood of association, where the relevant public may understand that the goods have not been produced by the trade mark proprietor, but may perceive that the producer of the goods is commercially connected to the trade mark proprietor, in the sense that the trade mark proprietor would have the possible means to exercise either direct or indirect control over what goods are affixed with the trade mark and the quality of those goods. This amounts to an indirect likelihood of confusion as to the commercial origin of the goods, as such confusion would be detrimental to the essential function due to that the mark is no longer a guarantee that all the goods bearing it have originated under the control of a single undertaking which is responsible for their quality.

Likelihood of confusion is subject to a global appreciation of all the relevant factors, which implies some interdependence between the factors, and in particular the similarity between the marks and the goods, where a lesser degree of similarity between those goods may be offset by a greater degree of similarity between the marks, and vice versa. However, a likelihood of confusion, presupposes that there is a minimum degree of similarity among the marks and the goods, and consequently the global appreciation will not be carried out if those cumulative thresholds have not been reached. A minimum degree of

similarity of goods exist, if the average consumer finds the goods to be similar, which, according to the CJEU, is assessed by taking all the relevant factors relating to the goods into account, including, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary. While the CJEU never provided any benchmark or explanation as to why those factors are relevant, those factors are seemingly relevant due to the fact that they are all still related to the goods themselves, but more importantly, they all take origin confusion consideration into account by allowing for a more appropriate assessment as to whether there are such links between the goods and their surrounding circumstances that may lead to origin confusion among the relevant public. The same origin confusion considerations have seemingly led to shared distribution channels and a usual commercial origin being considered to be additional relevant factors in the similarity assessment as well.

Regarding the relevant factors themselves, there are some of them that have origin confusion considerations directly incorporated into the requirements under the factors, such as the complementary factor, the usual origin factor and the shared distribution channels factor. While the former two require origin confusion to be fulfilled, the latter is disregarded as a relevant factor if the shared distribution channels carry such a variety of different types of goods that a risk of origin confusion due to the place of sale is reduced.

The other factors, such as the nature of the goods, their intended purpose, method of use and whether they are in competition are superficially more related to the intrinsic qualities of the goods. However, there are reasons to believe that those factors have been deemed relevant due to origin confusion considerations as well, as consumers are likely more prone to believe that an undertaking would be responsible also for other goods with similar intrinsic qualities, due to e.g. economies of scale and as that would give consumers a wider range of options to choose from.

For goods to be considered similar under a specific factor the assessment must generally be carried out by applying a level of abstraction, where both goods must fall within that level of abstraction to be considered similar. But, despite the fact that it has been held that a global appreciation must be carried out in the event of even a slight similarity between the goods, the EUIPO Guidelines proposes that the level of abstractions should be narrow, and several examples from case-law show that a narrow level of abstraction is frequently applied, without any obvious reasoning as to why and seemingly without taking origin confusion considerations into account. An exception being pharmaceuticals, that are all persistently considered to be similar overall due to their claimed similarity in nature and intended purpose, while they are held to be complementary and share the same distribution channels, despite differences in their therapeutic indications that may vary to the degree that even pharmaceuticals for humans and veterinary pharmaceuticals have been held to be similar. Origin confusion considerations are therefore seemingly less prominent during the stage where the similarity factors are applied, compared to previous stages of the similarity test.

It is however argued that as the similarity of goods test is subject to an assessment from the perspective of what the average consumer finds similar, the level of abstraction should be chosen by taking into account at what level the relevant public is likely to use when they are making up their mind as to whether goods come from the same commercial origin or not. An possible approach would be to determine the proper level of abstraction by assuming that both goods are branded with an identical trade mark and then start at the widest level and ask whether the average consumer would find that level rational and use any common denominator related to the goods to make up their mind about whether the goods have the same commercial origin.

Also, when the assessment of whether there is a minimum degree of similarity, case-law shows that an overall assessment of all the factors deemed relevant to the specific case are generally carried out and the factors are balanced against

each other, where dissimilarities may be found to outweigh the similarities, or vice versa.

However, considering that

- the CJEU has held in «Ferrero» that if there is some similarity among the signs, *even faint*, the global appreciation of likelihood of confusion must be carried out, and
- the GC has held that *even a slight similarity* between the goods require a global assessment of likelihood of confusion, and
- the CJEU has held in «Kurt Hesse» that only one similarity factor can be sufficient for a minimum degree of similarity of goods, and
- the CJEU has held in «Equivalenza Manufactory» that there should be no “global appreciation of similarity” of the signs, as similarities and dissimilarities should be weighed against each other in the global appreciation of likelihood of confusion, where all relevant factors are taken into account.

it is argued that all of the «Canon» factors are, or at least should be, such standalone factors that are capable of meeting the minimum degree of similarity of goods by themselves. The minimum requirement would then be at least partial similarity under one of these factors, in the sense that they have at least one element shared by the goods that is relevant to the public making up their mind about the origin of the goods and whether the relevant public, in the abstract, may think that responsibility for the production of those goods lies with the same undertaking. If similarity is found under only one of the relevant factors, the lack of similarity among the rest of the relevant factors should then as a rule not affect that the threshold of a minimum degree of similarity has been reached. The exception being a case where such a clear dissimilarity is found among one of the other factors, that would make the relevant public understand that the goods come from neither the same nor economically-linked undertakings.

While the suggested change in practice regarding the level of abstraction and the balancing of the different factors would lead to more cases of a minimum degree of similarity among goods being found, which would lead to more cases that requires a global appreciation of likelihood of confusion, it would arguably be in line with underlying trade mark law rationale. Especially in the light of that the concept of similarity should be interpreted in relation to the likelihood of confusion, and that the CJEU has repeatedly held that it is the trade mark proprietor's interest that is the prevailing interest when assessing the scope of protection under likelihood of confusion. The factors under the similarity of goods test should therefore not be used as a way to counter that prevailing interest protected under the likelihood of confusion protection, which is the protection of the origin function, by taking competition interests into account when those factors are applied. It is therefore argued that it should be avoided that the level of abstractions are set so narrow that it risks prejudging a likelihood of confusion and risk excluding cases that may amount to a likelihood of confusion if the trade mark proprietor would be given the opportunity to have all relevant factors taken into account in the global appreciation.

While the current practice can seem more pragmatic, as the global appreciation of likelihood of confusion does not have to be carried out when the goods are found to be dissimilar early on, that aspect cannot be given any weight as it does not have a clear basis in trade mark law policy and rationale.

Thus, considering the scenario of a consumer walking into a supermarket and buying a bottle of alcohol bearing a fanciful figurative trade mark and then revisiting that same supermarket again the next day and buys a different type of alcohol bearing the exact same fanciful mark, one should be careful as to what level of abstraction is applied when assessing the similarity of the goods under the relevant factors and the use of dissimilarities to counter any similarities found.

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