GENERAL COURT
OF THE EUROPEAN UNION

A Distinct Update on Weak Elements in Trademark Inter Partes Cases

How do the EU Courts Navigate between Schyla and Charybdes?

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- The Usual Disclaimer Applies…
- A Competition lawyer's and subsequent GC Judge's first venture in the High Seas of EU Trade Mark Law
- A System in Crisis or is the EU Trade Mark System Victim of its Own Success?
  - Are We Running Out of Trademarks and Does It Matter?
  - Trademarks & Competition: Brands as Barriers to Market Entry?
  - Are the EU Courts overprotecting weak Trademarks ?
  - Need to ensure availability vs. protection
- What, if anything, has the Court and the General Court done About It?

THE OPPOSING THESISES OF SCHYLA AND CHARYBDIS

- **Equal protection from the moment the trademark is validly registered?**
  - The distinctive character of the earlier mark = **only one element among others** in the likelihood of confusion assessement => **focus on the relative importance of the criteria of visual, phonetic and conceptual similarity in the global assessment of likelihood of confusion**

- **Or should we afford less protection for weak trademarks or intrinsically weak elements of a complex trademark?**
  - Monopolizing common expressions is against their **freedom of use** and therefore against **free competition**

THE START OF MY PERSONAL JOURNEY IN EU TRADE MARK LAW: THE L'OREAL SAGA

Orders of 26 June 2017, L'Oréal v EUIPO – Guinot (MASTER SHAPE, MASTER PRECISE, MASTER DUO et MASTER DRAMA), T-179/16, T-180/16,-T 181/16, T-182/16 and T-183/16, not published, EU:T:2017:445

Judgment of 30 May 2018, L'Oréal v EUIPO, C-519/17 P and C-522/17 P to C-525/17 P, not published, EU:C:2018:348

MASTER SMOKY, MASTER SHAPE, MASTER PRECISE, MASTER DUO et MASTER DRAMA

Judgment of 19 June 2019, L'Oréal v EUIPO, T-179/16 RENV, not published, EU:T:2019:433

Order of 7 October 2019, L'Oréal v EUIPO, C-586/19 P, not published, EU:C:2019:845

JUDGEMENT OF 22 FEBRUARY 2018, INTERNATIONAL GAMING PROJECTS / EUIPO - ZITRO IP (TRIPLE TURBO), T-210/17, EU:T:2018:91

34: "[...] the term "turbo" is likely to provide the relevant public, immediately and without reflection, with information relating to the characteristics of the goods in question and therefore has a weak distinctive character. [...]. Notwithstanding this weakly distinctive character, the verbal element "turbo", given its large size, its green color and its original stylization, will not be neglected by the relevant public, so that it should be take into account in the overall assessment of the risk of confusion between the signs in conflict."

73: "Furthermore, it appears from case law that, **when the elements of similarity between two signs are due to the fact that they share a component presenting a weak distinctive character, the impact of such elements of similarity on the overall assessment of the risk of confusion is itself** weak [...]."

75: "It follows that the visual differences [...] and which relate to elements other than the verbal element 'turbo', which has a weak distinctive character, will prevail in the overall impression of the signs at issue on the relevant audience. Thus, these differences will compensate for the phonetic and conceptual similarities, which result from the common verbal element "turbo" and the idea to which it refers."

76: "It must therefore be concluded that the signs at issue are overall different in their overall impressions for the relevant public, so that any risk of confusion must be excluded between the marks in question, without it being necessary for prior to examining in particular the possible high distinctive character of the earlier mark as part of an overall assessment of the likelihood of confusion [...]."

A QUESTION OF METHOD OR OF SUBSTANCE?

Judgment of 7 March 2018, Equivalenza Manufactory v EUIPO – ITM Entreprises (BLACK LABEL BY EQUIVALENZA), T-6/17, not published, EU:T:2018:119

Opinion of Advocate General Saugmandsgaard Øe of 14 November 2019 in EUIPO v Equivalenza Manufactory, C-328/18 P, EU:C:2019:974, citing i.a.

- Monteiro, J., 'Marque communautaire — La surprotection des marques faibles dans la jurisprudence communautaire', Propriété industrielle, No 6, June 2009, essay 12;
- Passa, J., 'Le risque de confusion déduit d'éléments dépourvus de caractère distinctif dans la jurisprudence européenne: l'angle mort du droit des marques', Propriétés Intellectuelles, October 2017, No 65, pp. 32-40

Judgment of 4 March 2020, EUIPO v Equivalenza Manufactory, C-328/18 P, EU:C:2020:156

A QUIET REVERSAL OF THE FORMER FIRST CHAMBER OF THE GC: JUDGMENT OF 20 SEPTEMBER 2018, KWIZDA HOLDING V EUIPO – DERMAPHARM (UROAKUT), T-266/17, EU:T:2018:569

UROAKUT

79: "[…] where the **elements of similarity between two signs arise from the fact that they share a component which has a weak distinctive character**, the impact of **such elements of similarity on the global assessment of the likelihood of confusion is itself low**."

UroCys

80: "In the present case, it should be recalled that it has already been found […] that the **initial component 'uro'**, which is common to the signs at issue, **had a weak distinctive character**.

82 It must, therefore, **be concluded that the signs at issue are globally different in their overall impression for the relevant public**, so that the Board of Appeal was **wrong to conclude that there was a likelihood of confusion** on the part of the relevant public with regard to the Class 5 goods covered by the signs at issue."

THE COURT WEIGHS IN ON WEAKLY DISTINCTIVE ELEMENTS OF COMPLEX MARKS: JUDGMENT OF 12 JUNE 2019, HANSSON, C-705/17, EU:C:2019:481 AND SVEA HOVRÄTT PMÖD 2020:6

ROSLAGSÖL

44: "the fact that a **trade mark is of weak distinctiveness** **does not exclude a likelihood of confusion**, in particular where the signs and the goods or services covered are similar »

53 "the **descriptive, non-distinctive or weakly distinctive elements of a complex trade mark**, whether or not mentioned in a disclaimer such as that at issue in the main proceedings, **generally have less weight in the analysis of the similarity between the signs than the elements of greater distinctiveness**, which are also more able to dominate the overall impression created by the mark"

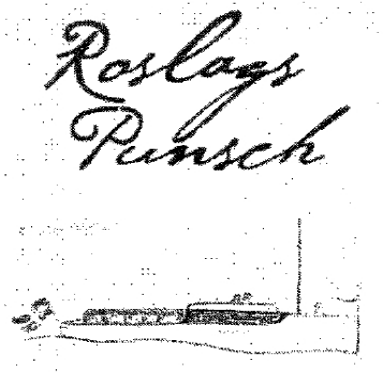

Fig. 1.

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THE COURT WEIGHS IN ON WEAKLY DISTINCTIVE ELEMENTS OF COMPLEX MARKS: JUDGMENT OF 12 JUNE 2019, HANSSON, C-705/17, EU:C:2019:481 AND SVEA HOVRÄTT PMÖD

ROSLAGSÖL

55: "where the earlier trade mark and the sign whose registration **is sought coincide in an element that is weakly distinctive or descriptive with regard to the goods or services at issue**, the global assessment of the likelihood of confusion (…) **will admittedly not often lead to a finding that that likelihood exists**. However, it follows from the Court's case-law **that a finding that a likelihood of confusion exists cannot, because of the interdependence of the relevant factors, be ruled out in advance and in any event** (see, in that respect, order of 29 November 2012, Hrbek v OHIM, C-42/12 P, not published, EU:C:2012:765, paragraph 63, and judgment of 8 November 2016, BSH v EUIPO, C-43/15 P, EU:C:2016:837, paragraphs 48 and 61 to 64)"

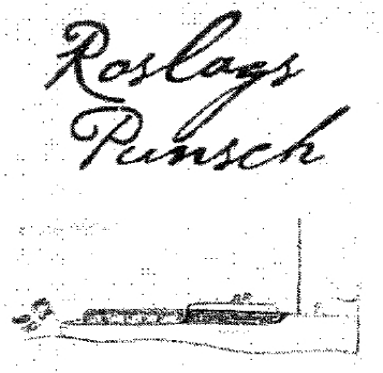


Fig. 1.

THE COURT LEANS IN ON INHERENT DISTINCTIVNESS: JUDGMENT OF 18 JUNE 2020, PRIMART V EUIPO, C-702/18 P, EU:C:2020:489

47: "The General Court made an error of law [...] by declaring the appellant's argument **concerning the allegedly weak distinctive character of the earlier mark inadmissible** on the ground that that argument had been **put forward before it for the first time**."

PRIMA

53: "it should be borne in mind that, **where the earlier trade mark and the sign whose registration is sought coincide in an element that is weakly distinctive** with regard to the goods at issue, the **global assessment of the likelihood of confusion does not often lead to a finding that such likelihood exists** (see, to that effect, judgment of 12 June 2019, Hansson, C-705/17, EU:C:2019:481, paragraph 55)."

Judgment of 28 April 2021, Primart v EUIPO – Bolton Cile España (PRIMART Marek Łukasiewicz), T-584/17 RENV, not published, EU:T:2021:231

DRAWING (SOME) LESSONS OF HANSSON AND PRIMART: JUDGMENT OF 11 NOVEMBER 2020, DEUTSCHE POST V EUIPO – POŠTA SLOVENIJE (REPRESENTATION OF A STYLISED HORN), T-25/20, NOT PUBLISHED, EU:T:2020:537

48: "The existence of a likelihood of confusion on the part of the public must be appreciated globally, taking into account all factors relevant to the circumstances of the case, **and the distinctive character of an earlier mark is one of those relevant factors** (see judgment of 18 June 2020, Primart v EUIPO, C-702/18 P, EU:C:2020:489, paragraph 51 and the case-law cited)."

49: "The **degree of distinctiveness of the earlier mark determines the extent of the protection conferred by it**. Where the distinctiveness of the earlier mark is significant, such a circumstance is likely to increase the likelihood of confusion (see, to that effect, judgment of 5 March 2020, Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v EUIPO, C 766/18 P, EU:C:2020:170, paragraph 70 and the case-law cited). **Conversely, where the distinctiveness of the earlier mark is low, the extent of the protection conferred by that mark is also low, even if the existence of a likelihood of confusion is not precluded in the latter case."**

DRAWING (SOME) LESSONS OF HANSSON AND PRIMART: JUDGMENT OF 11 NOVEMBER 2020, DEUTSCHE POST V EUIPO – POŠTA SLOVENIJE (REPRESENTATION OF A STYLISED HORN)

51: "It should be borne in mind that the Court has upheld the finding of the Board of Appeal concerning the low distinctiveness of the earlier mark […]. **Notwithstanding the average degree of similarity of the signs at issue** (…) and the **identity or similarity of the goods and services in question, the Court finds, in the present case, that there is no likelihood of confusion between those signs.**"

54: "In view of that tradition in the sector concerned, which explains why signs which have similarities have coexisted for a long time, and of the low distinctiveness of the earlier mark, the **Board of Appeal rightly found that there was no likelihood of confusion between the signs at issue, despite the fact they have an average degree of similarity and despite the identity or similarity of the goods and services concerned**."

JUDGMENT OF 5 OCTOBER 2020, EUGÈNE PERMA FRANCE V EUIPO – SPI INVESTMENTS GROUP (NATURANOVE/NATURALIM), T-602/19, NOT PUBLISHED)

NATURANOVE

71: policy statement (by the claimant):

"it is clear from the decision-making practice of the Boards of Appeal of EUIPO and the case-law of the Court that **although a company is free to choose a trademark with a low degree of distinctiveness** and use it on the market, **it must accept, however, in doing so, that competitors are equally entitled to use trademarks with similar or identical descriptive components**."

NATURALIUM

Implicitly endorsed by the then second chamber of the General Court, concluding that the **common component 'natura' is to be considered as having weak distinctiveness**, and that as regards the **inherent distinctiveness of the earlier mark, although that mark has a minimum level of inherent distinctiveness**, that **distinctiveness is, in the light of the two components of the word sign at issue, weak**.

JUDGMENT OF 5 OCTOBER 2020, SBS BILIMSEL BIO ÇÖZÜMLER V EUIPO – LABORATORIOS ERN (APIHEAL), T-53/19, NOT PUBLISHED, EU:T:2020:469

apiheal

APIRETAL

120: "even in the presence of identical goods, **having regard to the degree of similarity of the signs in question, which is based on a weakly distinctive part of the signs at issue**, and taking into account the high level of attention of the general public, it is necessary to conclude that the latter **will not be likely to believe that the products in question come from the same company**, or from economically-linked undertakings, **even if**, as stated by the Board of Appeal, without being contested by the parties, **the earlier mark a an average intrinsic distinctive character, which has increased**. "

TAKING IT ON STEP FURTHER: JUDGMENT OF 10 NOVEMBER 2021, NISSAN MOTOR V EUIPO – VDL GROEP (VDL E-POWER), T-755/20, NOT PUBLISHED, EU:T:2021:769

VDL E-POWER

40: "[…] that the greater or lesser degree of distinctiveness of the elements making up the conflicting marks is one of the relevant factors in assessing the similarity of the signs**. The descriptive, non-distinctive or weakly distinctive elements of a composite trade mark generally carry less weight in the analysis of the similarity between the signs than the elements of greater distinctiveness**, which are also more able to dominate the overall impression given by that mark (see, by analogy, judgment of 12 June 2019, Hansson, C 705/17, EU:C:2019:481, paragraph 53 (..); judgment of 9 December 2020, Man and Machine v EUIPO – Bim Freelance (bim ready), T 819/19, not published, EU:T:2020:596, paragraph 44 […]."

e-POWER

68: "The **more distinctive the trade mark, the greater will be the likelihood of confusion, and therefore marks with a highly distinctive character, either per se or because of their recognition by the public, enjoy broader protection than marks with less distinctive character** (see judgments of 29 September 1998, Canon, C 39/97, EU:C:1998:442, paragraph 18 and the case-law cited, and of 20 September 2018, Kwizda Holding v EUIPO – Dermapharm (UROAKUT), T 266/17, EU:T:2018:569, paragraph 72 and the case-law cited)."

FURTHER EXAMPLES

- Judgment of 12 May 2021, Metamorfoza v EUIPO – Tiesios kreivės (MUSEUM OF ILLUSIONS), T-70/20, not published, EU:T:2021:253,, § 95): "**the earlier mark has a low degree of inherent distinctiveness**. […] such a mark enjoys **less extensive protection** and that therefore the likelihood of confusion is, in such a case, lower."

SHOPIFY

- Judgment of 12 October 2022, Shopify v EUIPO – Rossi and Others (Shoppi), T-222/21, under appeal, EU:T:2022:633,
→ reasoning identical to Halloumi, Naturanove, Primart, Kompressor case-law

VEGE STORY **VÉGÉ'**

- Judgment of 26 July 2023, Topas v EUIPO – Tarczyński (VEGE STORY), T-434/22, not published, EU:T:2023:426

FURTHER EXAMPLES: GRAND BOARD OF APPEAL CASE OF 18 SEPTEMBER 2013, ULTIMATE NUTRITION / ULTIMATE GREENS (CASE R 1462/2012-G)

ULTIMATE GREENS

21: "The Grand Board […] is of the opinion that the term 'ULTIMATE NUTRITION' is descriptive and lacks any distinctive character for 'nutritional products, namely dietary supplements' or 'vitamins and nutritional food supplements' […]. "

59: "Whereas, a company is certainly free to choose a trade mark with a low or even non-distinctive character, including trade marks with descriptive and non-distinctive words, and use it on the market, it must accept, however, in so doing, that competitors are equally entitled to use trade marks with similar or identical descriptive components. "

61: "[…] The threshold is the perception of the relevant public. A sign or an element of it which is not distinctive cannot give rise to a perception of a particular trade origin, and a sign or an element of it which gives the public no references to a trade origin cannot suddenly do so simply because it also appears as an element in another mark. […] **The distinctive character of a trade mark is at the heart of trade mark law**."

ON THE OTHER SIDE OF THE STRAIGHT: THE RESILIENCE OF THE PAGESJAUNES CASE-LAW

Vital like nature

VITAL

Judgment of 20 October 2021, St. Hippolyt v EUIPO – Raisioaqua (Vital like nature), T-351/20, not published, EU:T:2021:719VS

STEP

Judgment of 26 January 2022, Diego v EUIPO – Forbo Financial Services (WOOD STEP LAMINATE FLOORING), T-498/20, not published, EU:T:2022:26

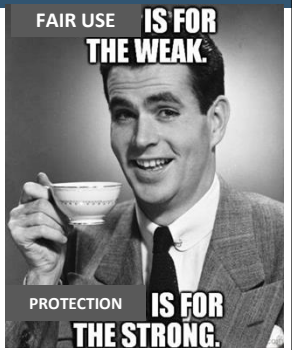
ALLMAX NUTRITION

Judgment of 30 March 2022, SFD v EUIPO – Allmax Nutrition (ALLNUTRITION DESIGNED FOR MOTIVATION), T-35/21, not published, EU:T:2022:173

FINANCERY **FINANCIFY**

Judgment of 3 May 2023, FFI Female Financial Invest v EUIPO – MLP Finanzberatung T-7/22, not published, EU:T:2023:234

TENTATIVE BOTTOM LINE TAKE-HOME MESSAGES



➢ **Importance of the inherent distinctiveness of the earlier mark and of weak common elements of complex trademarks**:

- This character determines the scope of protection of the brand.
  - Distinctiveness may vary in degree and intensity => reality to take into consideration
  - A weak trademark is less protected than a highly distinctive trademark
  - => fulfils the function of a trademark less well

➢ **A company who registers a weak trademark or chooses to include weak elements in their signs must be ready to endure the use of similar signs or elements by third parties.**

  - Free use by economic operators => free from monopolization and exclusive rights + free competition
  - The addition of minor components is sufficient to distinguish the trademarks from each other.
  - Consumers are smarter than is often assumed, even truer when dealing with a specialized public (more and more prosumers)

➢ **At the level of EUIPO**: avoid the privatization of usual terms or signs by refusing registration to trademarks that don't fulfil their mission

AT THE END OF THE ODESSEY, ITHACA MAY WELL BE IN SIGHT