

E. CTM infringement

Article 9 of the CTMR stipulates some circumstances under which CTM infringements may be presumed or proved. On the other hand, Article 8 of the CTMR strengthens the rights granted under Article 9 of the CTMR by allowing the right holder to prohibit registration of a sign the use of which would, but for registration, infringe his earlier rights. In order to determine whether a CTM has been, or is likely to be, infringed, various factors such as whether the use of a CTM by a third party falls within the scope of the exclusive rights that a CTM bestows upon the proprietor and the limitation posed against these rights have to be considered.

I. Scope of CTM protection

1. Article 9 of the CTMR

The scope of a CTM protection is systematically described under Article 9(1) (a), (b) and (c) of the CTMR.

According to Article 9(1) (a) of the CTMR, the CTM proprietor is entitled to interdict the use, in trade, by third parties, of any sign, which is identical to his trademark, where such use is in relation to goods or services, which are identical with those for which the proprietor's CTM was registered. A sign may be regarded as identical with a registered CTM if "it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer".³⁹⁰ To put it simply, infringement under the paragraph will require the plaintiff to prove double identity, i.e. identity of the sign and the CTM as well as identity of goods or services marketed under the sign and the CTM. For a CTM proprietor to be able to prohibit the use of another sign within the ambit of Article 9(1) (a) of the CTMR, such a sign and the proprietor's mark must correspond in all aspects. If there is any difference between them, then the action must be decided under Article 9(1) (b). However, where an infringer reproduces in his sign a part of a registered CTM, he cannot be held liable under the double identity doctrine of infringement, notwithstanding

390 ECJ, 20 March 2003, Case C-291/00 *LTJ Diffusion SA v Sadas Vertbaudet SA* [2003] ECR I-02799, para. 54.

ing the proof that the part which was reproduced in the infringing sign is “the most prominent part” of a CTM.³⁹¹

A CTM proprietor enjoys some powers, pursuant to Article 9(1) (b) of the CTMR, to preclude third parties from using “any sign where, because of its identity with or similarity to the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public”. It follows that,³⁹² where a CTM was registered to designate some goods, it may be infringed by an identical sign used in relation to similar goods, an identical sign used in relation to similar services, a similar sign in relation to similar goods, and a similar sign in relation to similar services. And, where registration of a CTM covers some services, infringing such a CTM would require an identical sign to be used for similar services, an identical sign to be used for similar goods, a similar sign to be used for identical goods, a similar sign to be used for similar services, and a similar sign to be used for similar goods.³⁹³

Article 9(1) (c) of the CTMR, empowers a CTM proprietor to prohibit third parties from using

...any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trademark is registered, where the latter has a reputation in the Community and where use of that sign without the due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark.

Likelihood of confusion – a concept referred to in section E (II) of this chapter – needs not be proven in order to substantiate trademark infringement claims brought under Article 9(1) (a) of the CTMR, since the law presumes existence of trademark confusion in every double identity cases.³⁹⁴ Given the special protection of a CTM³⁹⁵ enshrined under Article 9(1) (c) of the CTMR – a

391 Cf. PHILIPS, J., “Trade Mark Law: a Practical Anatomy” 314 (Oxford University Press, Oxford 2003).

392 Notwithstanding the language employed in Article 9(1) (b) of the CTMR, which does not lead to a clear, immediate understanding of the scope of the provision.

393 ANNAND, R. & NORMAN, H., “Blackstone’s Guide to the Community Trade Mark” 162 (Blackstone Press, London 1998).

394 Thus, liability for double identity cases (i.e. identical signs for identical goods) attaches strictly (ANNAND, R., & NORMAN, H., “Blackstone’s Guide to the Community Trade Mark” 162 (Blackstone Press, London 1998). The double identity cases are therefore helpful in particular in curbing “counterfeit or piracy cases” (KOOIJ, P.A.C.E. van der, “The Community Trade Mark Regulation: An Article by Article Guide” 33 (Sweet & Maxwell, London 2000).

395 Article 9(1) (c) of the CTMR extends special protection to the CTM because it goes beyond the conventional trademark protection enshrined in the TRIPs Agreement. Article 16(1) of the Agreement limits trademark protection to the same scope of Article

protection beyond the requirements of double identity or similarity as a yardstick for infringement – proof of likelihood of confusion is not required for the trademark infringement to be upheld.³⁹⁶ However, for an infringement to be upheld under the provisions of Article 9(1) (b) of the CTMR, the CTM proprietor must prove the likelihood of confusion in light of the likelihood of association.³⁹⁷

2. Article 8 of the CTMR

While the holder of rights stipulated under Article 8(2) (a) and (b) of the CTMR enjoys a right to prohibit unauthorised use of these rights based on Article 9(1) (a) and (b), he is as well allowed to interdict any attempt by third parties to register, as a CTM, any sign which is identical to or confusingly similar with these rights. The rights covered under Article 8 (2) (a) and (b) of the CTMR are earlier Community and national Trademark registrations as well as earlier Community and national trademark applications.³⁹⁸

The above analogy may as well be extended to Article 8(3) of the CTMR which regulates registration of a sign by an agent or representative of the right holder. Under the normal state of things an agent or a representative acts on behalf, and on the authority, of the principal. Thus, the use of the proprietor's mark by the agent or representative, in the course, and within the scope, of

9(1) (a) and (b) of the CTMR by stipulating that: “the owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The right described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use”.

396 ECJ, 11 November 1997, Case C- 251/95, *Sabel BV v. Puma AG* [1997] ECR I-06191, paras. 20 and 21.

397 ECF, Case C-245/02, *Anheuser-Busch Inc v Budějovický Budvar, OJ C 6, 8.1.2005, pp. 5 and 6, para. 63.*

398 While Article 8(2) (a) mentions the following earlier rights: (i) Community trade marks; (ii) trade marks registered in a Member State, or, in the case of Belgium, the Netherlands or Luxembourg, at the Benelux Trade Mark Office; (iii) trade marks registered under international arrangements which have effects in a Member State; (iv) trade marks registered under international arrangements which have effect in the Community, Article 8(2) (b) mentions applications for the trade marks referred to in Article 8(2) (2). However, only applications which mature to registration can entitle the applicant to object to registration of identical or similar signs.

agency-principal relation, cannot amount to a CTM infringement under Article 9 of the CTMR. However, Article 8(3) of the CTMR foresees some activities by an agent which would be detrimental to the interests of the principal as far as trademark rights are concerned. Thus, pursuant to the immediately preceding Article, the agent will be acting outside the scope of his agency if, without proper authorisation, he seeks to register the principal's trademark. Hence, the principal is entitled to oppose an attempt by the agent to register the trademark.³⁹⁹

This protection against the “disloyal agent or representative” that the proprietor of earlier CTM enjoys, under Article 8(3), is based on “a status-inherent obligation – which applies even without explicit agreement – to look after the business owner's interests”.⁴⁰⁰ Such inherent obligation necessitates a conclusion that “without authorization, the agent should not be able to appropriate any right in a mark which the business owner previously claimed for himself and which typically is of no interest to the agent before he becomes the business owner's representative”.⁴⁰¹

Article 8(3) of the CTMR implements in part the provisions of Article 6^{septies} of the Paris Convention only to the extent the said provision in the Paris Convention gives the rightful owner the right to oppose registration of trademarks filed without his consent. The CTMR does not however provide for the business owner's right to recovery of damages. The express relief in this respect is available under Article 18 of the CTMR which provides that:

Where a Community trade mark is registered in the name of the agent or representative of a person who is the proprietor of the trade mark, without the proprietor's authorisation, the latter shall be entitled to demand the assignment in his favour of the said registration, unless such agent or representative justifies his action.

Article 8(5) of the CTMR strengthens protection of CTM or national trademarks with reputation. Thus, owners of these trademarks enjoy some right to exclude third parties, not only from using them, but also from having the said trademarks being registered in the third parties' names. Article 8(5) of the CTMR guarantees protection for trademarks with reputation even where the infringing sign is intended to be registered for goods which are not identical or similar to those for which the trademark with reputation is registered. Thus, Article 8(5) of the CTMR can be applied along with Article 9(1) (c) of the CTMR described above.

399 Corollary to this, the principal is entitled to prohibit the use of his mark by the agent pursuant to Article 11 of the CTMR.

400 INGERL, R., “Revised Regulation Governing Agents' Marks under the New German Trademark Act” 29(6) IIC 664, 665 (1998).

401 INGERL, R., “Revised Regulation Governing Agents' Marks under the New German Trademark Act” 29(6) IIC 664, 666 (1998).

Hence, discussion on a trademark with reputation, in accordance with Article 9(1) (c) of the CTMR, addressed below under section 4.5.4 dealing with CTM with reputation, should be taken to refer to both Articles 9(1) (c) and 8(5).

Trademarks considered to be well-known in a Member State, within the meaning of Article 8(2) (c) of the CTMR, are distinguishable from trademarks with reputation under Articles 8(5) and 9(1) (c) of the CTMR. According to Article 8(2) (c) of the CTMR, an earlier but well-known mark⁴⁰² within the prescription set out in Article 6^{bis} of the Paris Convention⁴⁰³ entitles its proprietor to oppose a similar mark.⁴⁰⁴ The only decisive factor is whether the respective trade mark is well known in the country where protection is sought or in a substantial part of it⁴⁰⁵ and that the infringing mark is used for goods or services similar with those covered by the well-known mark.⁴⁰⁶ Coca-cola and Puma or BMW trademarks for instance, may be mentioned as examples of well-known trademarks.

402 Article 8(2) (c) of the CTMR defines earlier but well known trademarks as “trade marks, which on the date of application for registration of the Community trade mark, or where appropriate, of the priority claimed in respect of the application for registration of the Community trade mark, are well known in a Member State, in the sense in which the words ‘well known’ are used in Article 6bis of the Paris Convention.”

403 Article 6bis(1) of the Paris Convention provides that “the countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith”.

404 Paragraphs 2 and 3 of Article 16 of TRIPs strengthens protection of well-known marks by stipulating that: “2. Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member State concerned which has been obtained as a result of the promotion of the trademark. 3. Article 6bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use”.

405 ECJ, 22 November 2007, Case C-328/06, *Alfredo Nieto Nuño v Leonci Monlleó Franquet* [2007] ECR I-10093, para. 21.

406 However, Article 16(3) of the TRIPS Agreement requires a well-known mark to be registered in order to be protected against an infringing mark used for dissimilar goods or services.

Unregistered trademarks or other signs such as company names, trade names, business signs, titles of protected literary or artistic works and the right to a sign under passing-off are all together regarded as ‘unregistered and earlier signs used in trade’.⁴⁰⁷ These rights entitle the owner to register a similar mark. Consequently, the owner may, based on his unregistered and earlier signs used in trade, oppose any attempt by third parties to register a CTM which is similar to the earlier rights. However, the earlier rights protected under Article 8(4) of the CTMR are not mentioned in Article 42(2) and (3) of the CTMR in connection with the requirement of proof of use. Since enforceability of the earlier rights is contingent upon their use, evidence regarding the “use must be submitted in the reasoning of the opposition in the form that can be verified”.⁴⁰⁸

The earlier rights protected under Article 8(4) of CTMR must be of more than mere local significance. Although there is hitherto no ECJ’s decision clarifying the phrase “rights of more than mere local significance”, it may be assumed that, in view of analogous ECJ’s decisions,⁴⁰⁹ the earlier rights concerned will fulfil the requirements of the quoted phrase if they are known by a big section of the people. One may thus question as to what happens when the earlier rights concerned are of local significance. The response to this query depends on the national law under which the rights concerned are protected. Unless the respective national law prohibits, the earlier rights of a mere local significance will, pursuant to Article 111(1) of the CTMR, entitle the proprietor to prohibit the use of a similar CTM in the territory where the said earlier rights enjoy protection.⁴¹⁰

These rights should predate the date of application for registration of a future CTM and the priority date which the application for registration of junior CTM claims.

407 “Opposition Guidelines” (Part 1), 16 (OHIM 2007).

408 PAGENBERG, J., “Opposition Proceedings for the Community Trademark – New Strategies in Trademark Law” 29(4) IIC 406, 409 (1998).

409 Cf. for instance, Case C-375/97, *General Motors Corporation v Yplon SA* [1999] ECR I-05421 (paras. 26, 28 and 31), which implies that an earlier right could be of more mere local significance if it is known by a significant number of people in just a part of one of the EU countries.

410 Different points, which are relevant to the earlier rights of a mere local significance and, which may be debated here, are reserved for the discussion in Chapter 5 *infra* in relation to the interface between CTM and national trademark rights.

II. Likelihood of confusion

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

1. CTM function and likelihood of confusion

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

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

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

413 Cf. recital 8 of the CTMR.

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

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

416 Cf. recital 8 of the CTMR.

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