

4. Likelihood of association

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

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

III. Trademark use as a condition for infringement

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

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

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

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

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

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

reference works, which is not considered as a trademark use *per se*, a CTM infringement may only be justified if an infringing sign is used in the course of trade as a trademark.⁴⁸⁵

The phrase “in the course of trade”, as it appears in Article 9(1), is not defined anywhere in the CTMR. However, from an etymological point of view,⁴⁸⁶ the phrase could mean that for a CTM infringement to take place, an infringing activity must be of a commercial nature undertaken “with a view to economic advantage, and not as a private matter”.⁴⁸⁷ Thus, the infringer must be trading in the goods or services in relation to which the CTM proprietor claims the sign has been misused. Article 9(2) of the CTMR specifies some modalities of using a CTM as well as some activities, which may constitute use of a sign “in the course of trade” and “in relation to goods”. It provides that:

The following, *inter alia*, may be prohibited under paragraph 1: (a) Affixing the sign to the goods or to the packaging thereof; (b) Offering the goods, putting them on the market or stocking them for these purposes under the sign, or offering or supplying services thereunder; (c) Importing or exporting the goods under that sign; (d) Using the sign on business papers and in advertising.

The ECJ has given some guidance in relation to the use requirement as a condition for infringement. In *Arsenal Football Club*⁴⁸⁸ the ECJ concluded that the rights of the CTM proprietor are not unlimited since he may only prohibit the use of sign identical to his CTM for goods identical to those for which the CTM is registered, provided that the use of the sign would affect the interests of the CTM owner, namely, the functions of a CTM, particularly the essential function of guaranteeing to consumers the origin of the goods.⁴⁸⁹

485 A trademark is used as a trademark as such if it “is used for the purpose of distinguishing the goods or services in question as originating from a particular undertaking”. Cf. ECJ, Case C-63/97, *BMW v Ronald Karel Deenik* [1999] ECR I-00905, para. 38. Cf. also C-48/05, *Adam Opel AG* [2007] ECR I-01017 which held that “where a trade mark is registered, *inter alia*, in respect of motor vehicles, the affixing by a third party, without authorisation of the proprietor of the trade mark, of a sign identical to that mark to scale models of that make of vehicle, in order faithfully to reproduce those vehicles, and the marketing of those scale models, do not constitute use of an indication concerning a characteristic of those scale models” (para. 45).

486 i.e. Legislative history, in view of the fact that the original 1964 draft of the CTMR spoke of “use in commerce”.

487 KITCHIN, D., et al, “Kerly’s Law of Trade Marks and Trade names” (4th ed.) 364 (Sweet & Maxwell, London 2005).

488 ECJ, 12 November 2002, Case C-206/01 *Arsenal Football Club v Matthew Reed* [2002] ECR I-10273.

489 Case C-206/01 *Arsenal Football Club v Matthew Reed* [2002] ECR I-10273, paras. 51 and 54.

In view of the doctrine of constructive trademark infringement established in the *Arsenal Football Club* case “even where a trader uses a sign and at the same time explicitly denies the connection with the mark with a reputation there may be a likelihood of confusion”⁴⁹⁰; hence a trademark proprietor must be able to prevent that use.⁴⁹¹ In the above case, Mr. Reed was selling football souvenir and memorabilia with some signs referring to Arsenal. Meanwhile, Arsenal was as well engaged on the same business under several of its registered marks such as “Arsenal” and “Arsenal Gunners”. However, Mr. Reed had expressly disclaimed his commercial connection with Arsenal football club by putting a large sign at his place of business which read: “the word or logo(s) on the goods offered for sale, are used solely to adorn the product and does not imply or indicate any affiliation or relationship with the manufacturers or distributors of any other product, only goods with official Arsenal merchandise tags are Arsenal merchandise”. The court nevertheless stamped the doctrine of constructive infringement by holding that “the use of that sign is such as to create the impression that there is a material link in the course of trade between the goods concerned and the trade mark proprietor”, notwithstanding the likelihood that consumers who come across the mark at the point of sale would not confuse the origin of goods whereas those coming across the mark after the goods had left the point of sale would be confused.⁴⁹² Given this likelihood, the use of the mark in the circumstances such as those in Arsenal’s case would still be use of a trademark as a trademark as such in contravention of the CTM proprietor’s interests even where it is apparent that the use of the infringing sign “is perceived as a badge of support for or loyalty or affiliation to the trademark proprietor”.⁴⁹³

IV. Protection of a CTM with reputation

1. Reputation – what is it?

Reputation is one of the elements that must be proved in order for the infringement under Article 9(1) (c) to apply. Reputation must be in relation to

490 Cf. MANIATIS, S. M., (2003), “Whither European Trade Mark Law? Arsenal and Davidoff: The Creative Disorder Stage”, 7 Marq. Intell. Prop. L. Rev. 99, 142 (2003).

491 Case C-206/01, *Arsenal Football Club v Matthew Reed* [2002] ECR I-10273, para. 61.

492 Case C-206/01, *Arsenal Football Club v Matthew Reed* [2002] ECR I-10273, paras. 57 and 61.

493 Case C-206/01, *Arsenal Football Club v Matthew Reed* [2002] ECR I-10273, operative part of the judgment.