time.

Contrary to double identity cases, in which a violation can be established without having to meet any further requirements, likelihood of confusion on the part of the public must be proven in case the conflicting mark is identical with or similar to the earlier trade mark and the goods or services covered by the marks are identical or similar, Artt. 8(1)(b), 9(1)(b) CTMR. Such a risk of confusion includes the risk of association with the earlier trade mark.[779]

Having to prove likelihood of confusion is reasonable, as the proprietor of a a younger mark which does not exactly match the older sign or of a younger mark being identical to the older one but (sought to be) registered for different goods or services shall have freedom to operate unless the older mark is harmed in its main function,[780] the origin function. Therefore, likelihood of confusion must be understood in light of the origin function as the risk that the relevant public might believe the goods or services in question come from the same undertaking or, if applicable, from economically linked undertakings.[781]

Likelihood of confusion on the part of the public must be appreciated globally, taking into account all factors significant to the circumstances of the case.[782] As Recital seven CTMR explains, assessment of risk of confusion depends on numerous elements, in particular "the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified". This global assessment implies some interdependence between the relevant factors and, in particular, the similarity of the trade marks and the similarity of the goods or services identified. Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa.[783]

779 Such likelihood of association is existent if the relevant public assume that the goods or services marked with the similar sign is of the same commercial origin – not because they confuse the signs but because they deem the differences between the signs immaterial, cf. *Fezer*, § 14 no. 136 et seq.

780 Cf. Recital seven CTMR: "... a Community trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin ...".

781 ECJ, above fn. 125 – *Canon*, para. 29 and above fn. 644 – *Lloyd Schuhfabrik Meyer*, para. 17.

782 Cf. e.g. ECJ, judgment of 11 November 1997, Case C-251/95, [1997] ECR I-6191, SABEL BV v. Puma AG, Rudolf Dassler Sport – *SABEL*, para. 22; above fn. 125 – *Canon*, para. 16; above fn. 644 – *Lloyd Schuhfabrik Meyer*, para. 18.

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The assessment of likelihood of confusion must, as far as concerns the visual, aural or conceptual similarity of the marks in question, be based on the overall impression given by the marks, particularly bearing in mind their distinctive and dominant components.[784] Thereby, the degree of visual, aural or conceptual similarity must be determined as well as, where appropriate, the importance of these factors in light of the category of goods or services in question and the circumstances in which they are marketed.[785]

In this global appreciation of likelihood of confusion, the perception of the marks by the average consumer of the goods or services in question plays a decisive role. The average consumer normally perceives a mark as a whole and does not analyse its various details.[786]

The criterion of likelihood of confusion determines whether the minimum space between two marks, a prerequisite for their coexistence, is undercut or maintained. As a concept of law, it may not be proven empirically but purely normatively. The stronger the distinctive power of the earlier mark, the greater will be the risk of confusion.[787] Hence, marks which are highly distinctive, either per se or due to their reputation in the public, enjoy a broader scope of protection than marks which are of less distinctive character (irrespective of whether the relevant public actually confuse the conflicting signs).

5.11.2 Findings – Relation to Brand Value

Existing likelihood of confusion, invoked by a third party, vitiates the registration of the infringing mark. In most cases, especially if the corresponding brand is still juvenile,[788] this has desastrous consequences for the utility and therewith the value of the brand, as legal (trade mark) freedom to operate ceases to exist.

Hence, risk of confusion, whether it is high, average, low or nonexistent,

783 ECJ, *Canon*, above fn. 125, para. 17; *Lloyd Schuhfabrik Meyer*, above fn. 644, at no. 19.

784 CFI, judgment of 15 March 2006, Case T-35/04, [2006] ECR II-785, Athinaiki Oikogeniaki Artopoiia AVEE v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) – *FERRO*, para. 45.

785 *Lloyd Schuhfabrik Meyer*, above fn. 644, para. 27.

786 ECJ in *SABEL* (fn. 782) para. 23 and *Lloyd Schuhfabrik Meyer* (fn. 644) para. 25.

787 ECJ, above fn. 782 – SABEL, at para. 24.

788 Cf. 5.1.

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must be assessed in the course of every examination of legal brand value influencers. As a question of law, it needs to be examined on a case by case basis. There is no predefined relation between the degree of likelihood of confusion pertaining to the trade mark in question and brand value. Having a fixed team assess the legal dimension therefore builds valuable experience and brings about maximum reliability of results.

In order to prevent overlap of different points assessed within the legal dimension of the SIM, the question whether and how likelihood of confusion has actually been invoked against the proprietor of the brand under valuation, i.e. the issue of prosecution and litigation status, must be dealt with as a separate item (cf. 5.10).

5.12 Protection Beyond Similarity: Marks With a Reputation and Well-Known Marks

5.12.1 Introduction

As mentioned above, likelihood of confusion shall be the major relative ground for refusal of trade mark protection this work is dealing with (cf. fn. 778). However, in order to look into their implications on trade mark and therefore on brand value, the relative grounds for refusal of trade mark protection dealing with unfair advantage and detriment of registered trade marks and of well-known marks shall be briefly dealt with in the following.

5.12.2 Trade Marks With a Reputation

Pursuant to Art. 8(5) CTMR,[789] a trade mark applied for is not to be registered if it is identical with or similar to an earlier mark but its goods/service classes are not identical or similar to the goods/services for which the earlier

789 Cf. the parallel provisions in Art. 4(3) and Art. 4(4)(a) CTMD. The wording of these provisions and Art. 8(5) CTMR is similar to Art. 9(1)(c) CTMR and Art. 5(2) CTMD, the slight difference resulting from the fact that the former provisions deal with registrability whereas prohibition of use of a registered mark is at issue in the case of the latter provisions. In the following, protection of trade marks with a reputation absent likelihood of confusion shall be illustrated on the basis of Art. 8(5) CTMR only.

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mark is registered, in case the earlier mark has a reputation[790] and "the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark".[791] This provision protects registered trade marks with a reputation, in certain circumstances, against abuse of their unique drawing power, even if the goods and/or service classes the conflicting signs relate to are neither identical nor similar and there exists no likelihood of confusion. It transfers the abovementioned[792] principle laid down in Art. 16(3) TRIPs to the European level.[793]

Next to the requirement of identity or similarity of the marks in question, Art. 8(5) CTMR provides that the older mark must have a reputation, either in the European Community in the case of a Community trade mark or in a Member State in case of a national mark. The CTMR does neither stipulate what 'reputation' in this sense means nor whether 'reputation' differs from the term 'well-known' as laid down in Art. 6bis Paris Convention. The European Courts have developed a case law definition for 'reputation' yet it remains unclear whether there is a difference between the two terms. For instance, the ECJ held in *General Motors v Yplon*[794] that a trade mark must be known by a significant part of the public concerned in a substantial part of the relevant territory in order to have a reputation. Furthermore, in the course of assessing the issue of reputation, it was held that one should take into account the intensity, geographical extent and duration of the mark's use, its market share and the size of the investment made in promoting it. It was argued in this case that a mark did not have to be well-known in the sense of the above-mentioned Paris Convention provisions in order to have a reputation.[795] However, the ECJ did not comment on this issue.

Hence, quantitatively, a certain level of publicity is necessary for a trade mark

790 A reputation in the Community in case of a CTM and a reputation in a Member State in case of a national trade mark.

791 Similarly, § 9(1) Nr. 3 MarkenG stipulates the same with respect to German trade marks or trade mark applications respectively.

792 Cf. above at fn. 757.

793 In contrast, the issue of enforceability of unregistered well-known trade marks is left for the Member States as EU legislation does not address the requirement of Art. 6bis Paris Convention to allow a well-known unregistered mark to be asserted against the use of a younger mark.

794 Judgment of 14 September 1999, Case C-375/97, [1999] ECR I-5421, General Motors Corporation v. Yplon SA.

795 *Ibid.* at para. 13.

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