

Association or confusion

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Trade mark law practice is, like all other practices of law, evolving. This is not only happening on a national level, but also on a European level.

Since the European Council put forward its first proposal for the Trademark Directive (hereinafter: "Directive"), in particular many Benelux trade mark lawyers have been quite eager to see that the Directive would be a 'copy' of the Benelux Trade mark Act. After the Directive¹ was passed, they thought they had succeeded.

The Directive seemed to have incorporated many provisions similar the provisions of the Benelux Trade mark Act. With regard to the scope of trade mark protection the Court of Justice of the European Community (hereinafter: Court of Justice) rendered last November its—long expected—decision in the "*Springende Raubkatze*" case between the German sports company Puma AG and the Dutch company Sabel BV.

Puma, the owner of the (German) trademarks (a jumping panther), argued that the (German) trademark of Sabel (a jumping leopard) infringed upon its trade marks rights, while the public could associate the Sabel trademark with its trademarks. Sabel stated that the Directive did not incorporate this (Benelux) concept "likelihood of association", but the less broader concept of "likelihood of confusion" and that the German trademark law had to be interpreted accordingly. The Court of Justice had to decide whether 'association' or 'confusion' among the public was going to be the European standard for trade mark protection.

The scope of protection provided by the Benelux Trade mark Act

An owner of a Benelux trade mark can oppose "any use in the course of trade made of the trade mark or of a similar sign for goods or services for which the trade mark is registered or for similar goods or services, where there exists a likelihood of association among the public between the sign and the trade mark" (Article 13A, paragraph 1, sub b Benelux Trade mark Act).

The Benelux Trade mark Act also provides that "in determining the order of priority of filings (of trade marks), account shall be taken of rights, existing

at the time of filing and maintained at the time of the litigation, in: () (b) identical or similar trade marks filed for identical or similar goods where there exists a likelihood of association among the public between the trade marks" (Article 3, paragraph 2)². A trade mark owner can request a court to declare the registration of such a younger identical or similar trade mark cancelled (Article 14B, paragraph 1).

In general, likelihood of association (or mere association) will be assumed, if the (infringing) sign reminds the public of the trade mark, without any further links made by the public between the sign and the trade mark. No confusion between the sign and the trade mark is therefore required.

As soon as the public makes a connection between the sign and the trade mark, likelihood indirect of confusion will be assumed. As the public confuses the sign and the trademark, it is called likelihood of direct confusion.

Whether the public can or will associate or confuse the sign with the trade mark also depends on the reputation of the trade mark.

The scope of protection provided by the Directive

With regard to the use and the registration of a sign (younger trade mark) the Directive provides (Article 4, paragraph 1, sub b and Article 5, paragraph 1, sub b) that the (older) trade mark proprietor shall be entitled to prevent all third parties from using a sign or to have the registration of a younger trade mark cancelled, because the sign or the (younger) trade mark is identical or similar to its trade mark and is used for identical or similar goods or services, where the sign or the (younger) trade mark can cause confusion among the public, "which includes the likelihood of association with the (earlier) trade mark"³.

The structure of the sentences of these subparagraphs could lead to the conclusion that the trade mark protection is based on the likelihood of confusion and to the conclusion that association is a form of confusion, instead of the opposite.

In the considerations of the Directive is also provided that "the concept of resemblance (between the trade mark and a sign or a younger trade mark) has

to be explained in connection with the likelihood of confusion" and that "the likelihood of confusion () is the basis for the (trade mark) protection".

Despite this (strange) structure and despite the considerations of the Directive, many trade mark lawyers in the Benelux were of the opinion that the Benelux standard likelihood of association was incorporated in the Directive.

This opinion was already ventilated in a trade mark case in the United Kingdom in 1995.

The Wagamama/Rajamama case⁴

In this famous case the plaintiff, Wagamama Restaurants PLC, argued that the defendant's use of the words "Raja Mama's" (previously to that it was: Rajamama) constituted infringement of its registered trade marks (Wagamama).

Section 10, paragraph 2 of the concerning Trade Marks Act 1994 contained a similar provision as the above mentioned provision of the Directive, including the words: "which includes the likelihood of association with the trade mark". Wagamama alleged that Section 10 (2) covered confusion in a much broader sense: that the trade mark owner can oppose the use of a similar sign if there is mere association (likelihood of association) among the public. One of the advanced arguments thereto was that the Trade Marks Act 1994 had to be construed in accordance with the Directive and that the Directive was derived from the Benelux trade mark law.

To support this argument the plaintiff had adduced evidence from Professor Gielen, one of the leading trade mark law experts in the Benelux. According to the text of the judgement Professor Gielen gave the expert evidence that "the Benelux courts believe that the [Trade mark] Directive has simply been brought into line with their domestic law on this issue" and "that the Benelux countries do not think that their domestic law of infringement has changed at all and that they 'got their own way'".

Judge Hugh Laddie decided however inter alia:

"() there are two possible constructions which may be placed on Article 5 of the 1988 directive (Directive) and Section 10(2) of the 1994 Act. The rights of the proprietor against alleged infringers may be

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limited to classic infringement which includes association as to origin or, following the Benelux route, it could cover not only classic infringement but also non-origin association. In my view, the former construction is to be preferred. ()

It follows that this court cannot follow the route adopted by the Benelux courts on the issue. This is regrettable since one of the objectives of the 1998 directive was to avoid differences in scope of trade mark rights which could lead to barriers to inter-state trade. Nevertheless the natural inclination to come to a conclusion which would further harmony on this issue is not so strong that I am prepared to agree that a new millstone round the neck of traders has been created when that is not my view".

One of the arguments of Judge Hugh Laddie to deny the broader scope of trade mark protection (mere association) was that in his opinion the primary function of a trade mark has been to identify the commercial or trade origin of the goods (or services) to which it applied ("the function of which is in particular to guarantee the trade mark as an indication of origin", as the Directive states)⁵. Whether Judge Hugh Laddie or many of the Benelux trade mark lawyers and courts held the right end of the stick, was finally decided by the Court of Justice in the "Springende Raubkatze" case.⁶

The Springende Raubkatze case

In Germany, Sabel had filed a trade mark application for its logo, showing a leopard with respect to *inter alia* leather bags and handbags (class 18) and clothing (class 25). Puma, owner of the (earlier) trade marks (a panther), registered for—among others—leather bags and clothing, filed an opposition, because Sabel's trade mark was to be considered as similar to the Puma trade marks and therefore had to be cancelled.

The German Patent Office (Deutsches Patentamt) rejected the opposition, while there was no resemblance between the trademarks. Puma appealed this rejection. The Federal Patents Court decided that with respect the goods in classes 18 and 25 there was a resemblance between

the trade marks and partially refused Sabel's application. Sabel then appealed to the German Court of Appeal.

Sabel argued in front of the Court of Appeal that its trade mark application could not be (partially) rejected, while (the resemblance of) its trade mark could not cause confusion among the public (indirect confusion). Puma brought up against that—besides the argument that the public could get confused—the public would associate the trade marks with each other and that the standard of association had to be applied, given the provision of the Directive.

The German Court of Appeal asked the Court of Justice prejudicial questions. After the submissions of the governments of the Netherlands, the United Kingdom, the European Committee and the statement of the Attorney General of the Court of Justice, the Court of Justice rendered its decision on November 11, 1997.

The Court of Justice paid specific attention to the explanation of the Benelux standard of association, but in the end the Benelux standard was denied. The Court of Justice explained that "it follows from the wording (of Article 4 Directive) that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define the scope. The terms of the provision itself exclude its application where there is no likelihood of confusion on the part of the public".

In addition the Court of Justice decided that with regard to famous trade marks the proprietor can prohibit the use

without due cause of identical or similar signs even if there does not exist likelihood of confusion (and also if there is no similarity between the goods or services), if such "use of the third party's trade mark without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark".

Conclusion

What is the answer to our question posed in the headline: "association or confusion?" The answer has to be *confusion*. The Court of Justice has chosen for the standard of "likelihood of confusion".

Although it seems that Judge Hugh Laddie held the right end of the stick, his view that the trade mark protection is limited to classic infringement, which only includes association as to origin, can not be upheld. Besides association or confusion as to origin, also other forms of association or confusion can be recognised.

As Judge Hugh Laddie said, many lawyers would say: "the Benelux route is out of order", but the trade mark lawyers in the Benelux would not be lawyers, if they did not interpret this decision in their favour. Already in the Netherlands a few discussions have taken place between trade mark lawyers. One of the conclusions was: "nothing—really—has changed, the scope of trade mark protection shall not decrease".

Whether this conclusion can be upheld, is yet to be seen, but one thing is sure: it will be a long evolving road to the European home of trade marks, with lots of associations to make and lots of confusion to avoid. ■

1. Council Directive 89/104/EEC of December 21, 1988; OJ 1989, L 40. In force as of 1992.

2. The owner of a trade mark can also oppose the use of a sign or request cancellation of a registered trade mark, which is identical to its trade mark and which is used or registered in relation to goods or services which are identical to the goods or services for which its trade mark is registered (Article 13A, paragraph 1, subparagraph a / Article 3, paragraph 2, subparagraph a).

3. Article 4, para. 1, subpara. a and Article 5, para. 1, subpara. a of the

Directive provide similar provisions as stated in Note 2.

4. High Court of Justice August 1, 1995; EIPR 1995, page 601.

5. The range of the trade mark protection in the Benelux originates from the functions of a trade mark. In general 3 functions are recognised in the Benelux: (i) the function of origin, (ii) the goodwill or guarantee function and (iii) the communication or promotion function. Although the origin function is still the most important one, nowadays the other two functions seem to gain importance.

6. November 11, 1997; OJ 1997, c-251/95