

**Société Elmar Wolf opposes animal head application
European Union - Casalonga**

**Examination/opposition
Confusion**

May 31 2017

In *Environmental Manufacturing LLP v EU Intellectual Property Office (EUIPO)* (T-681/15), the EU General Court has confirmed a decision rendered by the EUIPO First Board of Appeal.

The applicant, Environmental Manufacturing LLP, filed an EU trademark application for the figurative sign below in connection with goods in Class 7, namely: "Machines for professional and industrial processing of wood and green waste; professional and industrial wood chippers and shredders".



An opposition was filed by Société Elmar Wolf on the basis of the following prior trademarks.



(French Figurative Registration 99786007 in Classes 1, 5, 7, 8, 12 and 31.)



(French Figurative Registration 1480873 extended under the Madrid Agreement to Spain and Portugal in respect of a number of goods in Class 7.)



(International Trademark Registration 154431 having designated Spain and Portugal in respect of goods in Classes 7, 8, 12 and 21.)

The opposition was based on Articles 8(1)(b) and (5) of the EU Community Trademark Regulation (40/94).

On January 2 2010 the EUIPO Opposition Division rejected the opposition on the basis of Article 8(1)(b) of the regulation, as it was considered that there was no likelihood of confusion between the signs. The opposition was also rejected based on Article 8(5), as it was found that the opponent had not adduced evidence of any detriment to the repute of the earlier marks or any unfair advantage gained from them.

An appeal was filed on March 23 2010 before the EUIPO Second Board of Appeal, which annulled the decision of the Opposition Division upholding the opposition based on Article 8(5), since it was found that the conditions referred to in that article were met.

Consequently, the application for registration was rejected without it being necessary to examine the ground based on Article 8(1)(b) of the EU Trademark Regulation (207/2009).

On December 17 2010 the applicant brought an action for annulment of the decision of the Second Board of Appeal before the EU General Court.

The applicant claimed infringement of Article 8(5) of the EU Trademark Regulation, insofar as the Second Board of Appeal had found that there was a risk of dilution and a risk of free-riding.

On May 22 2012 the EU General Court held that the Second Board of Appeal had been right in finding that use of the mark applied for would give rise to a risk of dilution of the earlier marks, constituting detriment to the distinctive character of those marks. It therefore dismissed the applicant's action without examining the arguments relating to the risk of free-riding.

The applicant appealed that judgment.

On November 14 2013 the European Court of Justice (ECJ) set aside the May 22 2012 judgment, considering that the mere fact that consumers note the presence of a new sign which is similar to an earlier sign is not sufficient to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of the EU Trademark Regulation, to the extent that the similarity causes no confusion in their minds.

According to the case law, proof that the use of the later mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered as a result of use of the later mark, or a serious likelihood that such a change will occur in the future. The ECJ therefore held that by not examining that condition, the EU General Court had erred in law and referred the case back to the EU General Court.

On February 5 2015 the EU General Court annulled the Second Board of Appeal's October 6 2010 decision on the ground that the board had found that:

- there was a risk of dilution without ascertaining whether use of the mark applied for might lead to a change in the economic behaviour of the average consumer; and
- an unfair advantage might be secured through the use of the mark applied for without ascertaining whether any particular quality associated with the earlier mark was capable of being transferred to the goods covered by the mark applied for.

The case was remitted to the EUIPO Boards of Appeal for further examination. On June 23 2015 the Presidium of the EUIPO Boards of Appeal assigned the case to the First Board of Appeal.

On September 3 2015 the First Board of Appeal annulled the decision of the Opposition Division insofar as it had rejected the opposition based on Article 8(1)(b) and (5) of the EU Trademark Regulation.

First, the First Board of Appeal found that proof of use had been furnished only in respect of the earlier OUTILS WOLF marks 1480873 and 352868 (below) and found that, in light of the evidence provided, the mark could be considered to be registered in respect of all goods in Class 7.



Further, it noted that the mark had enhanced distinctiveness in France in respect to lawnmowers and brush cutters.

Second, the First Board of Appeal found that the relevant public consisted of both professionals and the public with an interest in instruments and machines in the garden and park maintenance sector. Further, it found that it was sufficient, in the context of that examination, to take into account only the French public. In respect of the degree of attention, it found that – given the nature of the goods in question – a relatively high level of attention could be expected.

As regards the comparison of the goods, the court found that the goods at issue were, at the very least, similar to a high degree.

Lastly, in respect of the comparison of the signs, the court found that they were visually and conceptually similar to an average degree.

In view of the above, the First Board of Appeal concluded that there might be a likelihood of confusion within

the meaning of Article 8(1)(b) of the EU Trademark Regulation, even though the public's level of attention was high.

The applicant appealed that decision before the EU General Court.

In support of its action, the applicant relied on a single plea alleging infringement of Article 8(1)(b) of the EU Trademark Regulation.

The applicant submitted that the First Board of Appeal had erred in finding that there was a likelihood of confusion between the signs at issue. More specifically, it disputed the existence of an average degree of visual and conceptual similarity between the signs. Further, it argued the impossibility of comparing the signs at issue phonetically, insofar as the mark applied for did not correspond to a concrete and specific word.

The EU General Court confirmed the First Board of Appeal decision.

In respect of the comparison between the signs, it held that according to settled case law two marks are similar when, from the point of view of the relevant public, they are at least partially identical as regards to one or more relevant aspects.

In the present case, the applied for mark was purely figurative:



The earlier mark was a composite mark consisting of a figurative element, also represented by the head of an animal and the word elements 'outils' and 'wolf':



The EU General Court confirmed the First Board of Appeal's finding that, insofar as the signs at issue both represented the head of an animal with numerous features in common, they were visually similar to an average degree.

Indeed, it was noted that the word element of a composite mark may not always be considered to be more distinctive than the figurative element.

In the case of a composite mark, the figurative element may rank equally with the word element, on account of its shape, size, colour or position in the sign.

Accordingly, it was found that the figurative element in the earlier mark was visually dominant and visually striking, and that in the word element in the earlier mark, only the word 'wolf' had distinctive character for the relevant public, as the word 'outils' would not be perceived as distinctive because of its inherent descriptiveness with regard to the goods.

In view of the above, the court confirmed that the First Board of Appeal was right to find that the signs at issue were visually similar to an average degree.

Nevertheless, in respect of the applicant's claim that a phonetic comparison of the goods was not possible because the applied for mark was a figurative sign, the court noted that a phonetic comparison of the signs was irrelevant in the examination of the similarity of a purely figurative mark with another mark.

In any event, it was noted that it is possible that the semantic content of a figurative mark can immediately be associated with a specific concrete word.

Accordingly, the EU General Court confirmed that the First Board of Appeal was right in finding that it was not possible to compare the signs at issue phonetically.

In respect of conceptual similarity, it was found that the First Board of Appeal had not erred in deciding that the conceptual similarity of the signs at issue was not connected with the word 'wolf' in the earlier mark, but with the figurative element which those signs had in common.

Finally, the EU General Court concluded that the applicant could not usefully rely, in support of its arguments, on the previous decisions of the Second Board of Appeal and subsequent judgments of the EU General Court and the ECJ as they examined the case within the meaning of Article 8(5) of the EU Trademark Regulation and did not examine the likelihood of confusion on the basis of Article 8(1)(b) of the regulation.

Therefore, no conclusion could be drawn from them with respect of the present case, based on Article 8(1)(b).

The EU General Court thus confirmed the conclusion reached by the First Board of Appeal and the opponent succeeded in the opposition after a number of appeals and subsequent decisions. The conditions required by the ECJ in order for Article 8(5) of the EU Trademark Regulation to apply are arguably too strict and practically impossible to satisfy as a general rule, since providing evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered appears to be an impossible task, particularly taking into account that Article 8(5) may apply in cases concerning different products commercialised in different economic sectors.

In any case – and luckily for the opponent, since the marks and the products were similar – the opposition was finally rightly upheld on the basis of Article 8(1)(b).

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