



Protecting a trademark of Reputation, EUIPO Opposition no B 3 184 491

A. The case

On 09/12/2022, the Opposition Division of the European Union Intellectual Property Office (EUIPO) issued decision No B 3 184 491 on an opposition filed on the basis of an earlier trade mark, which has a reputation in a Member State (Germany) and the use without due cause of the trade mark applied for, would take unfair advantage of the earlier trade mark or be detrimental to the distinctive character or the repute of the earlier trade mark according to Article 8(5) of the EU Trade Mark Regulation (EUTMR). EUIPO's main arguments are described herein below.

The trade marks in question were:

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| <p>Earlier figurative TM</p>  <p>Mast-Jägermeister SE</p> <p>Grounds of opposition: Class 25: <i>Headgear; clothing; footwear; parts and fittings of all the aforesaid goods, included in this class.</i></p> <p>Class 33: <i>Alcoholic beverages (except beer), in particular herbal spirits; pre-mixed alcoholic beverages.</i></p> | <p>Contested figurative TM</p>  <p>Shenzhen Jiufa Jewelry Co., Ltd.</p> <p>Opposed goods: Class 25: <i>Clothing; Shoes; Footwear; Sports shoes; Gloves; Neck scarves; Leather belts [clothing]; Socks; Hats; Trousers.</i></p> |
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B. EUIPO'S Examination

The following **cumulative** conditions must be met for refusing the registration of a trademark on the grounds of Article 8 (5) EUTMR:

- 1) The signs must be either **identical or similar**.**
- 2) The opponent's earlier trade mark must have a **reputation**.** The reputation must also be established prior to the filing of the contested trademark; it must exist in the territory concerned and for the goods and/or services on which the opposition is based.

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3) Risk of injury: it must be demonstrated that the use of the contested trade mark would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.

Due cause. Following EUIPO'S assessment, the opposition may still fail if the applicant establishes *due cause* for the use of the contested trademark. In the present case, the applicant did not claim to have due cause for using the contested mark. Therefore, in the absence of any indications to the contrary, it must be assumed that no due cause exists.

- 1. Comparison of the signs.** According to EUIPO'S examination of the overall impression of both signs and their distinctive and dominant components, all the elements are interlinked and interacting with each other and no clearly dominant element exists in both marks. The trade marks in question were held to be:

-Visually similar, albeit to a low degree, and the argument of the applicant that the signs are visually dissimilar, cannot be upheld.

-Aurally, it was not possible to compare the trademarks, as they are both purely figurative.

-Conceptually the marks were held to be **similar at an above average degree,** as consumers perceive both marks as signs consisting of 'deer heads with part of the upper body depicted with huge antlers' and their different elements do not reduce this similar perception.

- 2. Reputation.** According to Article 8(5) EUTMR, "Reputation' of a trademark implies a knowledge threshold that is reached only when the earlier mark is known by a significant part of the relevant public for the goods or services it covers. The relevant public is, depending on the goods or services marketed, either the public at large or a more specialised public." The evidence must also show that the reputation was acquired for the goods for which the opponent has claimed reputation.

In order to determine the mark's level of reputation, all the relevant factors shall be taken into consideration such as: the market share held by the trademark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it. The reputation of the earlier mark shall be proved by the opponent, by submitting specific evidence proving the knowledge of the relevant public, In the present case the opponent submitted results of market surveys attesting the verified active knowledge of the mark and the spontaneous awareness of the mark by both the general population and by persons consuming herbal liqueur as well as the public's assessment on the product's quality. Further evidence was also submitted in relation to the turnover and market share of the product to prove that the earlier' s mark level of reputation leading EUIPO to conclude that the mark indeed enjoys a high reputation in Germany as well as evidence presenting the use of the mark on a broad range of clothing.

- 3. Risk of Injury.** Given that the earlier mark enjoys a high degree or reputation and the trademarks are held to be similar to some extent, EUIPO examined whether there is a risk

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of injury, by assessing whether the relevant public will establish a link (or association) between the signs.

Link between the signs: Relevant factors for the assessing the existence of a 'link' include (27/11/2008, C-252/07, Intel, EU:C:2008:655, § 42) among other criteria:

- the degree of similarity between the signs;
- the nature of the goods and services, including the degree of similarity or dissimilarity between those goods or services, and the relevant public;
- the strength of the earlier mark's reputation;
- the degree of the earlier mark's distinctive character, whether inherent or acquired through use;
- the existence of likelihood of confusion on the part of the public.

In the present case, the signs were not found highly similar but Article 8(5) of the EUTMR applies even on a faint or remote degree of similarity between the signs, which may be insufficient for establishing a likelihood of confusion under Art. 8(1)(b) of the EUTM, but which may give rise to a link between the signs for the purposes of Article 8(5) (24/03/2011, C-552/09 P, TiMiKinderjoghurt, EU:C:2011:177, § 65-66).

Assessing the risk of injury. The use of the contested mark will fall under Article 8(5) EUTMR when **any** of the following situations arise:

- it takes unfair advantage of the distinctive character or the repute of the earlier mark;
- it is detrimental to the repute of the earlier mark;
- it is detrimental to the distinctive character of the earlier mark.

According to EUIPO assessment, **“the opponent must establish that detriment or unfair advantage is probable, in the sense that it is foreseeable in the ordinary course of events.** For that purpose, the opponent should file evidence, or at least put forward a coherent line of argument demonstrating what the detriment or unfair advantage would consist of and how it would occur, that could lead to the prima facie conclusion that such an event is indeed likely in the ordinary course of events.”

Unfair advantage (free-riding). “Unfair advantage in the context of Article 8(5) EUTMR covers cases where there is clear exploitation and ‘free-riding on the coat-tails’ of a famous mark or an attempt to trade upon its reputation.” In the present case, the Opposition Division found that the contested mark would indeed take unfair advantage of the reputation and distinctive character of the earlier mark, as the similarity between the marks and the mark's high reputation are likely to be projected and transferred to the goods and services of the contested sign. This probability is also considered more likely given that there is a special connection between the opposed goods (clothing) and the opponent's (among others alcoholic beverages and clothing). The EUIPO found that alcoholic beverages and clothing belong to neighboring markets. “Clothing is a common tool to propagate the mark's image and foster loyalty among the brand owner's customers” and alcoholic brands may often

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choose to extend their brand and branch out into typical merchandising markets, thereby establishing a special connection between the goods and enhancing the risk of injury of the earlier mark.

C. Conclusion.

According to EUIPO's assessment, the opposition is well founded under Article 8(5) EUTMR because a) the specific evidence and documents submitted by the opponent prove decades of intensive use of the earlier trade mark and its general high reputation in the relevant market, and especially for alcoholic beverages where it is among the leading trade marks of the market and b) there is a special connection (link) between the goods of the two trademarks, which can lead to some of the qualities of the opponent's goods to be attributed to those of the applicant: the goods belong to neighbouring markets, alcohol and the clothing market, where a 'brand extension' would seem more natural. Despite the fact that the similarity between the two trademarks was not considered high, the degree of similarity of the contested mark with the earlier mark which enjoyed high reputation was sufficient to establish that the registration of the contested mark would cause an unfair advantage and risk of injury of the prior mark.



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