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**EC TRADE MARK LAW IN THE LIFE SCIENCES INDUSTRY AS EXEMPLIFIED
BY THE CASE BAYERN INNOVATIV V OHIM**

A) INTRODUCTION

This article tries to shed light on an important area of trade mark law in connection with a decision recently handed down by the European Court of First Instance (the "CFI"), more specifically with respect to the complex question of similarity between marks and confusion of the public. This question is naturally an issue of fact and evidence and is - to a large extent - imbued with subjectivity. Therefore, new cases brought before the courts always have to be assessed afresh, taking all the surrounding circumstances into consideration, and the outcome can at times be surprising, even for experienced trade mark lawyers.

As a starting point, the authors briefly summarize the legislation that governs substantive trade mark law on the European level. Following such short summary, the recently decided case of Bayern Innovativ – Bayerische Gesellschaft für Innovation und Wissenstransfer mbH v Office for Harmonisation in the Internal Market will be introduced as an example of the application of the above referred legislation and the danger of subjectivity that this area of trade mark law is unfortunately prone to. Finally, a conclusion is offered with the opinion of the authors which points out the dangers for parties who get involved in this kind of trade mark litigation. Given the dangers and pitfalls of subjectivity, the case law and precedent may, in this area of law, be of dubious value.

B) GOVERNING LEGISLATION IN THE EUROPEAN UNION

Prior to discussing the above referred case, a few preliminary remarks as to legislation are warranted.

I. General

Trade marks in the European Union are governed by Regulation 40/94 on the Community Trade Mark (the "CTMR") and Directive 89/104 (the "Directive"). The CTMR creates an autonomous system of trade marks protection and legislates both in substantive and procedural trade mark law. A Community Trade Mark (the "CTM") under the CTMR, which has a unitary nature across the whole territory of the European Union, may be obtained by way of registration with the Office for Harmonisation in the Internal Market (the "OHIM"), one of the parties of the above mentioned case.

The Directive, on the other hand, does not create a unitary system of registration which is valid across the whole European Union with one single registration office, it rather harmonizes existing national laws to a limited extent, while the national offices are maintained. Fortunately enough, there are many similarities between the CTMR and the



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Directive, especially in the area of requirements for registration, the grounds for refusal of applications, the rights of a trade mark holder, limitations, surrender, revocation and invalidity.

II. Registration of CTMs

This case concerned an application for registration of a figurative CTM with OHIM. As such, the governing provisions are to be found in the CTMR. Pursuant to Art. 4 CTMR, a CTM may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings. It was never questioned that both parties' signs were capable of being classified as CTMs.

In case a person (Art. 5 CTMR) is able to obtain a CTM and if no absolute grounds for refusal apply pursuant to Art. 7 CTMR (e.g. signs which do not conform to the requirements of Art. 4 CTMR, trade marks which are devoid of any distinctive character, exclusively descriptive signs, or signs or indications which have become customary in the current language or in the bona fide and established practices of the trade, etc.), the applied for CTM may still be subject to relative grounds for refusal under Art. 8 CTMR. This provision applies in three cases:

If the applied for trade mark is identical with the earlier trade mark and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected, this would constitute a relative ground for refusal (Art. 8 (1) (a) CTMR). The courts have always interpreted the requirement of identity strictly, which means that both the signs and the goods must be absolutely identical, no difference is allowed however small they may be. If, however, neither the signs nor the goods or services covered by the signs are identical, but there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, then this would amount to a relative ground for refusal as well (Art. 8 (1) (b) CTMR).

To close the circle, there still could be a relative ground for refusal if neither the goods nor the services are similar to the goods or services covered by the earlier mark: The sign applied for will not be registered if it is identical with or similar to an earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where in the case of an earlier Community trade mark the trade mark has a reputation in the Community and, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned and where 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 (Art. 8 (5) CTMR). The requirement of "reputation" has been subject to extensive case law, but this shall not be elaborated on at this stage.



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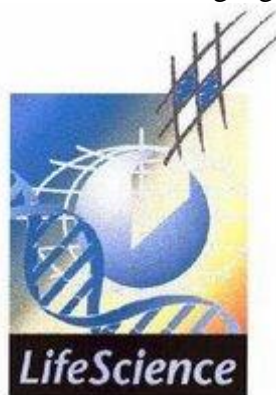
Finally, some limitations to the rights of a trade mark proprietor should be mentioned at this stage. Pursuant to Art. 12 (a), (b) CTMR, a Community trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade: his own name or address; indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the service, or other characteristics of the goods or service. This limitation is under the proviso that the trade marks are being used in accordance with honest practices in industrial or commercial matters.

C) THE JUDGMENT OF THE CFI IN THE CASE BAYERN INNOVATIV – BAYERISCHE GESELLSCHAFT FÜR INNOVATION UND WISSENSTRANSFER MBH v OFFICE FOR HARMONISATION IN THE INTERNAL MARKET (OHIM) (CASE T 413/07)

Bearing the above provisions in mind, a short summary of the case T 413/07 (the "**Judgment**") is set out below.

I. Background of the case

Bayern Innovativ – Bayerische Gesellschaft für Innovation und Wissenstransfer mbH (the "**Applicant**") filed an application for registration of a CTM with OHIM (the "**Defendant**") pursuant to the CTMR for the following sign:



The sign consists of word and figurative elements. As regards the figurative elements, the mark applied for, in blue, yellow and orange, consists of a spiral resembling a DNA chain, an oval shape, which can be associated with a globe, and a grid pattern which is supposed to be the symbol of Bavaria (Germany). The word element can be seen underneath the figurative element and consists of "LifeScience". No space is left between "Life" and "Science". The sign was registered for the Classes 16, 35, 36, 41 and 42 of the Nice Agreement of 15 June 1957 concerning the international classification of goods and services for the purposes of the registration of marks, as revised and amended.



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After the application was published, Life Sciences Partners Perstock NV ("**Perstock**") filed a notice of opposition against the registration of the mark applied for on the grounds of a trade mark it had registered earlier. Perstock's trademark was registered for the Classes 35 and 36 and looked as follows:



As regards the figurative elements, Perstock's mark, in black and white, represented the silhouette of a naked woman wrapped in a spiral resembling a DNA chain. The word elements "Life Sciences Partners" are clearly visible underneath the figurative element.

In support of the opposition, Perstock relied on the ground of the likelihood of confusion within the meaning of Article 8(1)(b) CTMR. By decision of 16 October 2006, OHIM's Opposition Division upheld the opposition in part by finding that the services in Classes 35 and 36 were identical and that the signs were sufficiently similar for there to be a likelihood of confusion. Pursuant to Art. 57 to 62 CTMR, the Applicant filed a notice of appeal with OHIM on 24 November 2006 against the decision of the Opposition Division in so far as it refused to register the mark applied for with respect to the services in Classes 35 and 36.

By decision of 2 August 2007, the First Board of Appeal confirmed that there was a likelihood of confusion between the two conflicting marks in relation to the services in Classes 35 and 36 and dismissed the appeal. This was the contested decision which the CFI had to consider.

II. Legal reasoning of the Parties

The Defendant submitted that the registration of the Applicant's mark would have meant a likelihood of confusion on the part of the public in the territory in which the earlier trade mark was protected because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks pursuant to Art. 8 (1) (b) CTMR. According to case-law, a likelihood of confusion exists if there is a risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings.

Furthermore, it was settled case-law that the likelihood of confusion must be assessed globally, according to the perception in the minds of the relevant public of the marks and the goods or services in question, and taking into account all factors relevant to the circumstances of the case, in particular the interdependence of the similarity between the signs and the similarity between the relevant goods or services. Two marks are similar when, from the



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point of view of the relevant public, they are at least partially identical as regards one or more relevant aspects.

The Applicant contended that the figurative elements of the conflicting marks constituted the dominant elements. Those figurative elements of the signs were substantially different. Given that the word elements were - according to the Applicant - not the dominant elements, there was no need to examine the phonetic and conceptual characteristics of the signs at issue.

In the Defendant's view, however, the word elements and the figurative elements were equally dominant in the signs because they had an equivalent power of attraction and would both be memorized by the public as elements of identification of the marks. The difference between the graphic elements of the conflicting marks was not sufficient to preclude the likelihood of confusion, because the relevant public was aware of the fact that it is much easier for an undertaking to change its logo than its business name. According to the Defendant, the conflicting signs had a high degree of similarity, both phonetically and conceptually, and the degree of visual similarity was not decisive.

The parties did not challenge the Board of Appeal's finding that the services covered by the earlier mark and the services in Classes 35 and 36 covered by the mark applied for were identical. As such, a comparison of the two signs by the CFI was warranted.

III. Judgment of the CFI

The main provision upon the basis of which the case had to be decided was Art. 8 (1) (b) CTMR. Pursuant to this provision, the trade mark applied for is not to be registered if, because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected. As the identity of the services was never in question, there were only two issues that the CFI had to decide upon: The similarity of the marks and the likelihood of confusion.

1. Similarity of the marks

While comparing the two signs, the CFI extensively referred to settled case-law: The global assessment of the likelihood of confusion, as far as the visual, phonetic or conceptual similarity of the conflicting signs are concerned, must be based on the overall impression given by the signs, bearing in mind, inter alia, their distinctive and dominant components.

With respect to visual similarity, the CFI set out that a complex trade mark could not be regarded as being similar to another trade mark which is identical or similar to one of the components of the complex mark, unless that component formed the dominant element within the overall impression created by the complex mark. That was the case where this component was likely to dominate, by itself, the image of that mark which the relevant public kept in mind, with the result that all the other components of the mark made a negligible contribution to the overall impression created by it.



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The CFI went on to say that even the fact that two conflicting marks comprised similar word elements was not in itself sufficient to justify the conclusion that the conflicting signs were visually similar. If one of the signs contained figurative elements in an individual and original configuration, the overall impression conveyed by each sign was likely to be different. With regard to the assessment of the dominant character of one or more given components of a complex trade mark, account may also be taken, at a subordinate level, of the relative position of the various components within the arrangement of the complex mark.

According to the CFI, it did not follow that the figurative element visually dominates the image that the relevant public keeps in mind. Although they were visible, it was very unlikely that the public would easily recognize and ascribe an origin to the respective figurative elements of the marks at issue. The relevant public would refer to the signs at issue orally and would remember them as much by their name as by their figurative elements.

As regards the word elements, the CFI held that the first part of the earlier mark's word element, 'life sciences', was almost entirely reproduced (with the exception of the final letter 's') in the word element of the mark applied for, 'lifescience'. The fact that the mark applied for used a capital letter 's' meant that the missing space between 'life' and 'science' is hardly noticeable; at the same time, it is not easy to make out the letter 's' at the end of the first part of the word element of the earlier mark.

As far as the figurative elements are concerned, the CFI held that the signs at issue had a low degree of visual similarity, limited to similarity of the word elements and the helicoidal shape resembling the DNA chain. However, the CFI held that the contested decision was correct in finding that the conflicting marks were phonetically very similar, since the elements 'lifescience' and 'life sciences', when pronounced according to the rules of English pronunciation, sound almost identical.

The word element 'partners' of the earlier mark was descriptive and could therefore be omitted when the mark is pronounced. As such, it was secondary, appearing as if it were a mere addition to the element 'life sciences'. In the CFI's view, it was a term that was frequently used in all commercial sectors in English-speaking regions of the European Community, and one which was probably omitted when the relevant public pronounced the earlier mark.

As far as conceptual similarity is concerned, the CFI held that it was obvious that both conflicting marks referred to biotechnology, i.e., to some branch of natural sciences devoted to the structure and behavior of living organisms. The spirals that were reproduced in the conflicting marks were associated by the relevant public with DNA chains and they likewise evoked biotechnology. Consequently, the figurative elements reinforced the significance of the word elements 'lifescience' or 'life sciences' and therefore contributed significantly to the general conceptual similarity between the signs at issue.

To put it briefly, the CFI held that there was a high degree of phonetic similarity, a sufficient degree of conceptual similarity (due to both their word elements and some of their



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figurative elements) and a low degree of visual similarity. As such, the overall similarity of the marks was confirmed by the CFI.

2. Likelihood of confusion

The CFI held that while assessing the likelihood of confusion on the part of the public in this specific case, it was necessary to determine whether the difference established between the visual elements of the conflicting marks outweigh their phonetic and conceptual similarities, taking into account the nature of the services at issue. Pursuant to settled case-law, the respective weight to be given to the visual, phonetic or conceptual aspects of the conflicting signs in the course of this assessment may differ according to the objective conditions under which the marks may be present on the market.

In this case, the services at issue are services in Classes 35 and 36 which are usually referred to orally. Therefore, if the goods covered by a given mark are sold only by being ordered orally, the phonetic aspects of the sign in question will, according to the CFI, generally have greater significance for the relevant public than the visual aspects.

The CFI further held that the earlier mark was not descriptive and that the Applicant did not use it in a descriptive manner, which is why Art. 12 (b) CTMR was not held to apply as a defense. In the CFI's opinion, the higher level of attention of the relevant public is not sufficient to rule out the risk of that public believing that the services are being offered by the same undertaking or, as the case may be, by economically-linked undertakings given the identical nature of the services at issue and the similarity of the conflicting marks.

D) CONCLUSION

As already mentioned above, the Judgment was subjected to a huge amount of subjectivity. As is the case with trade mark cases, their outcome is very difficult to predict, and two courts may decide one and the same case with a totally different outcome. Similarity of two marks and likelihood of confusion are to a large extent personal judgments and matters of personal taste of the particular judge presiding over the case.

The judges have to assume the role of an average consumer from whose point of view they have to decide what is similar and whether they would be confused or not. The question of what similarity is, to what extent the two marks are similar and whether this similarity is sufficient to cause a likelihood of confusion are difficult questions of fact.

The present case was a little more complicated as usual, as the two marks in question had several elements: visual, phonetic and conceptual. The visual similarity was weak, the conceptual one stronger and the phonetic very strong. The CFI had to embark on a mission to determine which element outweighed the other, i.e. to balance the elements against each other. This, again, should be done from the point of view of an average consumer. The CFI held that the phonetic and conceptual elements were strong, whereas the visual element was weak. The stated reason was the fact that services under the marks were offered verbally.



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This doesn't help the fact that the first - and often the most important - impression of the mark could be gained by simply looking at it. It is therefore submitted that the CFI underestimated the strength of the visual element. As the similarity and the likelihood of confusion of the two marks have to be determined from the point of view of the average consumer, the authors conducted a short survey among the members of the public with respect to the similarity of the two marks and the likelihood of confusion. The result was unanimous: The visual element of the marks by far outweighed all the other elements, even when taking the fact into consideration that the services under the mark were offered verbally.

As even the CFI admits, the visual similarity of the marks is very weak at best. In the authors' opinion it is safe to assume that it is so weak (if existent at all) that a likelihood of confusion can well be excluded. As such, the better view is that there is no or very little similarity between the marks and, consequently, a likelihood of confusion on the part of the public may well be non-existent.

The contents of this article are intended to provide only a general overview of the subject matter. Specialist advice should be sought for specific matters.