Risk of confusion: the reputation of the junior mark is not relevant, says the General Court of the European Union
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Decision of the General Court of the European Union T-423/12

In the recent SKY/SKYPE decision, the General Court of the European Union reaffirmed that it is the recognition of the senior mark and not that of the junior mark that must be taken into account when determining whether there is a likelihood of confusion between the two (5 May 2015, T-423/12, § 56). This contribution aims at analysing said decision from the perspective of both European law and Swiss law.

In a nutshell, the Court rejected the argument that the SKYPE opposed community trademark (“CTM”) had acquired, through extensive use, a high distinctiveness which served to counteract any similarity with the SKY opposing trademark.

The rationale is that when considering whether or not a CTM fails under any of the relative grounds for refusal, events or facts which happened before the filing date of the CTM are irrelevant because the rights of the opponent, insofar as they predate the CTM, are earlier than the applicant's CTM (Guidelines for Examination in the Office for Harmonization in the Internal Market ["OHIM"] on Community Trademarks, status as at 1 February 2015, Part C, Section 2, Chapter 7, § 6.2).

In other words, the right to a CTM begins on the date when the CTM is filed (or on the priority date, as the case may be); and from that date on the CTM has to be examined with regard to opposition proceedings (OHIM, Decision of 28 July 2010, opposition n° B 1 359 803, p.2).

Still put differently, the reputation of the junior CTM can never be relevant in the context of opposition proceedings. Indeed, either the reputation has been acquired after the filing of the junior CTM and cannot be taken into account since it is posterior to the right of the opponent over the opposing trademark. Or the reputation has been acquired before the filing of the junior CTM and cannot be taken into account either, since it does not relate to the junior CTM which did not, by definition, exist before its filing.

The question if the reputation of the junior mark may be taken into account when assessing the risk of confusion was also addressed in Switzerland, with the same result (former Swiss federal appeal commission for intellectual property, Decision of 31 January 2000 ["Land Rover"]).

However, there is one particular Swiss decision in which the opposite was held true. The issue was whether there was a risk of confusion between the “Campus” and the “UBS Campus” marks, both covering financial services.

According to Swiss case law, the fact that a junior mark consists exclusively of the senior mark, to which another word has been added, is an indication that the two marks are similar. This is however not the case if the added word gives the junior mark a different meaning, or if the senior mark has a weak distinctive character and the added word has a strong distinctive character (Swiss Federal Administrative Court, Decision of 7 December 2009, B-4151/2009).

In the “Campus” vs. “UBS Campus” case, the Swiss Supreme Court reasoned as follows: first, “Campus” has a weak distinctive character in relation to financial services aimed at students; second, the “UBS” sign has a strong distinctive character since UBS (the biggest bank in Switzerland) “has offices throughout Switzerland and constantly advertises”. In other words, the “UBS” sign is considered to be highly distinctive since it has a reputation. Third, the adding of “UBS” to “Campus” is sufficient to avoid any risk of confusion between “Campus” and “UBS Campus” (Swiss Supreme Court, Decision of 18 January 2000, 4C.3/1999).

Accordingly, the Swiss Supreme Court took into account the reputation of a part of the junior mark (“UBS”) when assessing the risk of confusion with the senior mark (“Campus”).

This has not given rise to a fruitful debate amongst Swiss legal writers who criticized, essentially, the qualification of “Campus” as a weak mark (J. Müller, sic! 2000, 196) and the alleged inexistence of a risk of confusion between “Campus” and “UBS Campus” (J. Müller, op.cit. and E. Marbach, SIWR III/1, footnote n° 1199). Other writers opined that adding to a senior mark a strong element, and in particular a famous name, can be sufficient to avoid any risk of confusion even if the senior mark has an average distinctive character — and not only a weak distinctive character as ruled by the Swiss Supreme Court (Schlosser/Maradan, CR-PI, Art. 3 LPM N° 56).

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