OPINION OF ADVOCATE GENERAL JACOBS
delivered on 29 April 1997 *

1. In the present case, the Bundesgerichtshof (Federal Court of Justice, Germany) seeks guidance on the interpretation of the notion of 'confusion' between trade marks under Article 4(1)(b) of the First Council Directive to approximate the laws of the Member States relating to trade marks (the 'Trade Marks Directive', or simply 'the Directive'). [1] It is the first occasion upon which the Court has been asked to interpret that notion under the Directive, [2] although it has previously addressed the issue of confusion to a limited extent in the light of Articles 30 and 36 of the Treaty. [3]

Facts and national procedure

2. The Netherlands proprietor of IR mark 540 894, SABEL BV, has applied to register it in the Federal Republic of Germany. [4]

3. The mark in issue comprises a spotted feline beast of prey, to judge by its appearance a cheetah, bounding (i. e. running) towards the right of the picture, together with the name SABEL written underneath:



SABEL has applied to register that trade mark in the following classes of goods:

'14. Articles of jewellery, including ear-rings, chains, brooches and pins.

18. Leather and imitation leather, products made therefrom not included in other classes; bags and handbags.

25. Clothing, including tights, hosiery, belts, scarves, ties/cravats and braces; footwear; hats.

* Original language: English.

1 — Directive 89/104/EEC of 21 December 1988, OJ 1989 L 40, p. 1.

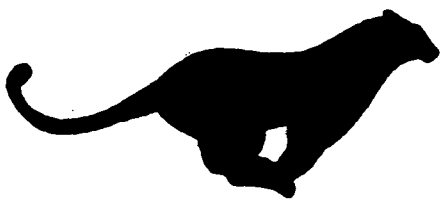
2 — Under Article 16(1) of the Directive, Member States were to implement its provisions by 28 December 1991. However, by Decision 92/10/EEC, OJ 1992 L 6, p. 35, the Council made use of the power conferred on it by Article 16(2) and postponed the deadline for implementing the Directive until 31 December 1992.

3 — Discussed at paragraph 31 below.

4 — An IR mark is a mark registered at international level pursuant to the Madrid Agreement concerning the International Registration of Marks. That Agreement enables an applicant who has registered a mark in his country of residence or business to obtain registrations in such other participating States as he designates, unless those States raise an objection under their national law within a specified period.

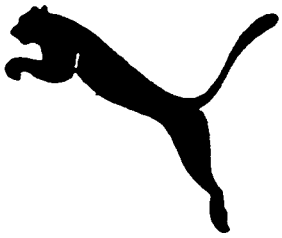
26. Fashion accessories not included in other classes, such as passementerie, bandeaux/hair-slides, hair grips, hairpins and similar ornaments for hair.'

4. Puma Aktiengesellschaft Rudolf Dassler Sport ('Puma'), the owner of two earlier pictorial marks, lodged oppositions to SABEL's applications. Its mark number 1 106 066 is similarly a pictorial representation of a feline beast of prey bounding towards the right of the picture but, unlike SABEL's mark, the beast is depicted as a silhouette and is presumably intended to be a puma rather than a cheetah; I shall refer to this as the bounding puma mark.



That mark is registered, *inter alia*, for leather and imitation leather, goods made therefrom (bags) and articles of clothing.

5. Puma's other mark, number 1 093 901, is again a pictorial representation of a feline beast of prey but it is leaping, rather than bounding, and it is moving towards the left, rather than the right, of the picture. It too is depicted as a silhouette and is again presumably intended to be a puma; I shall refer to this as the leaping puma mark. It is registered, *inter alia*, for jewellery and ornaments:



6. The examining authority for IR class 18 in the German Patent Office decided that there was no similarity for trade-mark law purposes between SABEL's mark and Puma's marks, and rejected the oppositions lodged by Puma. Puma appealed to the Bundespatentgericht (Federal Patent Court). That appeal was rejected in so far as the oppositions were based on the leaping puma mark. The oppositions based on the bounding puma mark were upheld in part. The Bundespatentgericht held that there was a similarity for trade-mark law purposes between SABEL's mark and the bounding puma mark with respect to the goods claimed in classes 18 and 25, which it regarded as identical or similar to goods in respect of which the bounding puma mark

was registered. SABEL appealed to the Bundesgerichtshof against that partial refusal of protection of its mark in the Federal Republic of Germany.

7. The Directive was implemented in Germany by the Gesetz über den Schutz von Marken und sonstigen Kennzeichen of 25 October 1994, which entered into force on 1 January 1995. [5] Paragraph 9(1)(2) of the German Law closely reflects the terms of Article 4(1)(b) of the Directive: it provides that a mark may be refused protection in Germany if, because of similarity to the earlier trade mark and because of identity or similarity of the goods covered by the two marks, there is a risk of confusion, which includes the likelihood of the two marks being associated. (The German Law, like the German version of the Directive, speaks of a 'risk' of confusion, while the English version of the Directive speaks of a 'likelihood' of confusion.)

8. The Bundesgerichtshof considers that there is no risk of confusion for trade-mark law purposes between SABEL's sign and either of Puma's marks. It explains the principles which it applied in reaching that conclusion. These are in essence as follows.

5 — BGBl. I 3082.

Overall impression

9. The Bundesgerichtshof considers that the court must focus on the overall impression made by the respective signs; it is thus not permissible to isolate an element of the opposed sign and establish its similarity to the opponent's sign, although an individual component of a sign may be recognized as having a special 'characterizing force' which characterizes the sign as a whole.

10. After examining the reasoning of the Bundespatentgericht, the Bundesgerichtshof concludes that the Bundespatentgericht cannot be criticized for emphasizing the role of the picture in SABEL's mark and attributing a rather secondary significance to the textual component of the SABEL mark.

Characterizing force

11. A second principle embraced by the Bundesgerichtshof concerns the 'characterizing force' of the protected sign. It considers that a sign can have 'characterizing force' either intrinsically (by which it presumably has in mind the originality of invented names) or as a result of the sign's commercial standing. In the view of the Bundesgerichtshof, the greater the 'characterizing force' of a sign, the greater the risk of confusion; it cannot be deduced from the familiarity of a sign that variant signs can more easily be

distinguished. However, the Bundesgerichtshof stresses that the question whether an earlier sign has special 'characterizing force' does not arise in the present case because no submission has been made on that point. By that it presumably means that it has not been argued that Puma's bounding beast mark is particularly well known, or that a bounding puma is an invented image.

Descriptive signs

12. Finally, the Bundesgerichtshof considers that strict requirements are to be set with respect to the risk of confusion for the relevant trade-mark law purposes when the components of a sign are basically descriptive and have little imaginative content. It comments that that principle applies both to textual compositions and to representations of nature and that the Bundesgerichtshof has often held that commerce, on encountering a sign which is based on a very general meaning, is not as a rule prompted to take note of the meaning as an indication of its commercial origin.

13. It observes that the graphical depiction of the bounding feline beast of prey is a motif taken from nature and that it reproduces the motion typical of such animals. It considers that the particular features of the depiction of the bounding feline beast of prey in the Puma sign, for example, its depiction as a silhouette, the repetition of which might establish similarity for trade-mark law purposes, do not occur in the SABEL mark. It concludes that the similarity of signification between the pictorial component of the SABEL mark and the Puma mark, as a 'bounding feline beast of prey', cannot therefore be adduced as grounds for a risk of confusion for trade-mark law purposes.

14. Since, however, the Bundesgerichtshof considers it necessary to establish 'a uniform interpretation of the concepts of similarity and the likelihood of confusion' within the meaning of the Directive, it has referred the following question 'on the interpretation of Article 4(1)(b)' of the Directive:

'Is it sufficient for a finding that there is a risk of confusion between a sign composed of text and picture and a sign consisting merely of a picture, which is registered for identical and similar goods and is not especially well known to the public, that the two signs coincide as to their signification (in this case, a bounding feline beast of prey)?

What is the significance in this connection of the wording of the Directive, according to

which the risk of confusion includes the likelihood that a mark may be associated with an earlier mark?'

15. Observations have been submitted by Puma, the French, Dutch and United Kingdom Governments and the Commission. In addition, SABEL, the Belgian, French, Luxembourg and United Kingdom Governments and the Commission were represented at the oral hearing.

The provisions of the Directive

16. The Trade Marks Directive was adopted under Article 100a of the Treaty. Its aim was not 'to undertake full-scale approximation of the trade-mark laws of the Member States' but simply to approximate 'those national provisions of law which most directly affect the functioning of the internal market' (third recital).

17. According to the sixth recital, the Directive 'does not exclude the application to trade marks of provisions of law of the Member States other than trade-mark law, such as the provisions relating to unfair competition, civil liability or consumer protection'.

18. The tenth recital states:

'Whereas the protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, is absolute in the case of identity between the mark and the sign and goods or services; whereas the protection applies also in case of similarity between the mark and the sign and the goods or services; whereas it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion; whereas the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified, constitutes the specific condition for such protection; whereas the ways in which likelihood of confusion may be established, and in particular the onus of proof, are a matter for national procedural rules which are not prejudiced by the Directive'.

19. The final recital concludes that 'all Member States of the Community are bound by the Paris Convention for the Protection of Industrial Property' and that 'it is necessary that the provisions of this Directive are entirely consistent with those of the Paris Convention'. It states that 'the obligations of the Member States resulting from [that]

Convention are not affected by this Directive' and that 'where appropriate, the second subparagraph of Article 234 of the Treaty is applicable'.

20. Article 1 of the Directive provides that the Directive 'shall apply to every trade mark in respect of goods or services which is the subject of registration or of an application in a Member State for registration as an individual trade mark, a collective mark or a guarantee or certification mark, or which is the subject of a registration or an application for registration in the Benelux Trade Mark Office or of an international registration having effect in a Member State'.

21. Article 2 of the Directive provides that:

'A trade mark may consist of any sign 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.'

22. Article 4(1) of the Directive provides that:

'A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:

(a) if it is identical with an earlier trade mark, and the goods or services for which the trade mark is applied for or is registered are identical with the goods or services for which the earlier trade mark is protected;

(b) 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, which includes the likelihood of association with the earlier trade mark.'

23. 'Earlier trade marks' are defined in Article 4(2).

24. Article 4(3) provides that:

'A trade mark shall furthermore not be registered or, if registered, shall be liable to be declared invalid if it is identical with, or similar to, an earlier Community trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier Community trade mark is registered, where the earlier Community trade mark has a reputation in the Community and where the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trade mark.'

25. Article 4(4) contains a similar provision in relation to national marks (as opposed to Community marks) with a reputation in a Member State, except that Member States have a discretion whether or not to adopt such a provision.

26. Article 5 specifies the rights conferred by a trade mark:

'1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advan-

tage of, or is detrimental to, the distinctive character or the repute of the trade mark.

...

5. Paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purposes of distinguishing goods or services, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.'

27. Provisions virtually identical to those in Articles 4(1) and 5(1) appear in Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark ('the Community Trade Mark Regulation' or simply 'the Regulation'). [6] The purpose of that Regulation is to make it possible to apply for a single 'Community trade mark' which is valid throughout the Community. [7] Applications are to be made to the Community Trade Mark Office ('the Office'). [8]

28. Article 8 of the Regulation provides that:

'1. Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

(a) if it 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;

(b) 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; the likelihood of confusion includes the likelihood of association with the earlier trade mark.

...

5. Furthermore, upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is

6 — OJ 1994 L 11, p. 1.

7 — Article 1.

8 — Confusingly entitled 'Office for Harmonization in the Internal Market (trade marks and designs)' (Article 2 of the Regulation), but generally referred to as the Community Trade Mark Office.

identical with or similar to the 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.'

29. 'Earlier trade marks' are defined in Article 8(2).

30. Article 52(1) provides that a Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings, *inter alia*, 'where there is an earlier trade mark as referred to in Article 8(2) and the conditions set out in paragraph 1 or 5 of that Article are fulfilled'.

Previous case-law

31. As I mentioned by way of introduction, this Court has previously addressed the issue of confusion for trade-mark law purposes in the light of Articles 30 and 36 of the Treaty before the Trade Marks Directive took effect. That confusion between trade marks is in principle a justifiable reason for opposing the import of goods was first established in *Terrapin* v *Terranova* [9] and confirmed in '*Hag II*', [10] *Renault* v *Audi* [11] and *Ideal Standard*. [12] In *Renault* v *Audi* the Court recalled that the specific subject-matter of trade-mark rights consists in protecting the proprietor of the mark against a risk of confusion such as to allow third persons to take unlawful advantage of the reputation of the proprietor's goods. The Court considered that the criteria for establishing whether there was a risk of confusion formed part of the detailed rules of trade-mark protection which were at that time a matter for national law, subject to the second sentence of Article 36; and that Community law did not lay down any strict interpretative criterion for the concept of the risk of confusion. Those comments were quoted later in *Ideal Standard*, in which the Court emphasized (at paragraph 19) the second sentence of Article 36, in particular as prohibiting national courts from assessing

9 — Case 119/75 [1976] ECR 1039.

10 — Case C-10/89 *HAG GF* [1990] ECR I-3711.

11 — Case C-317/91 *Deutsche Renault* v *Audi* [1993] ECR I-6227.

12 — Case C-9/93 *IHT Internationale Heiztechnik* v *Ideal Standard* [1994] ECR I-2789.

the similarity of products in such a way as to give rise to arbitrary discrimination or a disguised restriction on trade between Member States. Although those cases were answered in terms of the position before the Trade Marks Directive took effect, they may, as I shall discuss later, be of some assistance in considering the present case.

32. Reference has also been made to the Court's statements in previous cases to the effect that a trade mark serves as a guarantee of origin. SABEL and the United Kingdom invoke those statements in support of their argument that trade-mark protection cannot be allowed to go any further than is necessary to protect that function. It seems to me that there is some force in that argument. It is true that the Court has generally made it clear that it was not seeking to define the purpose of trade-mark protection exhaustively. In *Hoffmann-La Roche* v *Centrafarm*, [13] for example, it referred to the guarantee of the identity of the origin of the trade-marked product as being the 'essential' function of a trade mark. (That wording is reflected in the tenth recital to the Directive, according to which the purpose of trade-mark protection is 'in particular' to guarantee the origin function of the mark.) [14] The Court has also, as I have mentioned, described the 'specific subject-matter' of a trade mark as being 'in particular to guarantee to the owner that he has the exclusive right to use that trade mark for the purpose of putting a product on the market for the first time and therefore to protect him against competitors wishing to take advantage of the status and reputation of the trade mark by selling products bearing it illegally'. [15] Moreover, in recognizing in *Bristol Myers-Squibb* [16] the right of a trade-mark owner to oppose defective, poor quality, or untidy repackaging, which might damage his reputation, the Court arguably recognized that trade-mark law can protect interests other than simply the right to ensure that there is no confusion as to the origin of a product. (That issue is considered in my Opinion in *Dior* v *Evora*.) [17] None the less the emphasis generally placed by the Court on confusion may be of significance, even in interpreting the Directive.

The question referred

33. The Bundesgerichtshof considers that the difficulty in this case is whether the purely associative train of thought by which the public connects the two signs via the image of a 'bounding feline beast of prey' is sufficient to justify refusing protection to IR trade mark 540 894 in the Federal Republic of Germany for the identical goods in class 18 and the goods in class 25 which the Federal Patent Court considers to be similar. That difficulty is occasioned in particular, according to the Bundesgerichtshof, by the

13 — Case 102/77 [1978] ECR 1139.

14 — See paragraph 18 above. The English text is worded less appropriately than other language versions.

15 — See, for example, *Hoffmann-La Roche* v *Centrafarm*, cited in note 13, and the judgments of 12 July 1996 in Joined Cases C-427/93, C-429/93 and C-436/93 *Bristol Myers-Squibb* v *Paranova* and *Bayer Aktiengesellschaft, Bayer Denmark* v *Paranova* [1996] ECR I-3457, Joined Cases C-71/94, C-72/94 and C-73/94 *Eurim-Pharm Arzneimittel* v *Beiersdorf, Boehringer Ingelheim KG, Boehringer Ingelheim A/S and Farmitalia Carlo Erba* [1996] ECR I-3603, and Case C-232/94 *MPA Pharma* v *Rhône-Poulenc Pharma* [1996] ECR I-3671.

16 — Cited in note 15.

17 — Case C-337/95 *Parfums Christian Dior SA and Parfums Christian Dior BV* v *Evora BV*, Opinion of 29 April 1997.

unclear choice of words in Article 4(1)(b) of the Trade Marks Directive, according to which the risk of confusion includes the likelihood of the mark being associated with the earlier trade mark.

34. I shall accordingly deal first with the second part of the Bundesgerichtshof's question, which raises the general issue of the meaning of Article 4(1)(b) of the Trade Marks Directive in so far as it refers to 'a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier mark'. That will assist in considering the first part of the question, which is in substance whether a finding of confusion can be based upon the fact that the same idea is conveyed by two pictorial marks (one also including text).

The concept of 'association' under Benelux law

35. In order to understand why this phrase has given rise to problems, it is necessary to understand the differing approaches to trade-mark protection adopted by the Benelux countries, on the one hand, and most other Member States, on the other. It is common ground that the references in the Directive to 'likelihood of association' are inspired by Benelux law. Under the Uniform Benelux Law on trade marks ('the Benelux Law'), [18] in any event prior to implementation of the Directive, the owner of a trade mark could prevent any use of a mark identical or similar to his own registered mark in respect of the same or similar goods. [19] Similarity of the marks was thus sufficient; in contrast to the position in other Member States, the Benelux Law did not require a risk of confusion. Nor did it expressly refer to a likelihood of association. That concept was introduced by the Benelux Court in the 'Union/Union Soleure' case in 1983. [20] The Benelux Court held that there was similarity between a mark and a sign when, taking account of the particular circumstances of the case including the distinctive power of the mark, the mark and the sign, considered in themselves and in their reciprocal relations, present on an auditory, visual, or conceptual level, a similarity such as to establish an association between the sign and the mark. The Benelux Court did not follow the Opinion of its Advocate General who considered that there should be confusion as to the origin of the product.

36. There is also no mention of confusion in the Benelux law implementing the Directive.

18 — Annexed to the Benelux Trade Mark Convention of 19 March 1962.

19 — Article 13 A of the Benelux Law.

20 — 'Il y a ressemblance entre une marque et un signe lorsque, compte tenu des particularités de l'espèce, notamment du pouvoir distinctif de la marque, la marque et le signe, considérés en soi et dans leurs rapports mutuels, présentent sur le plan auditif, visuel ou conceptuel une similitude de nature à établir une association entre le signe et la marque.' Case A 82/5, judgment of 20 May 1983, *Henri Jullien BV* v *Verschuere Norbert* (also known as the 'Union/Union Soleure' Case), Jurisprudence of the Benelux Court of Justice 1983, p. 36.

A protocol of 2 December 1992 (which entered into force on 1 January 1996) amended Article 13A(1) of the Benelux Law to provide that the exclusive right of a trade mark entitles the proprietor to oppose any commercial use of the mark or a similar sign in respect of the products for which the mark is registered or similar products, when there exists, in the mind of the public, a 'risk of association' between the sign and the mark.

37. The gap between the Benelux Law and the laws of the other Member States may not however have been as wide as it may appear. Indeed, according to the United Kingdom Government, there is in practice little difference between the Benelux concept of association and the concept of confusion in the other Member States since the latter is interpreted very broadly.

38. It is true that the concept of confusion in Member States such as Germany and Austria covers not only confusion in the narrow sense, i. e. the mistaken assumption that the goods in question come from the same undertaking, but also confusion in the broad sense, i. e. the mistaken assumption that there is an organizational or economic link between the undertakings marketing the two products. Nevertheless, I do not accept the proposition of the United Kingdom Government that there is little difference in practice between the trade-mark protection afforded by Benelux law and that afforded by the law of other Member States. Even confusion in the broad sense as defined above involves confusion about the origin of the products. It appears that Benelux law does go further than the trade-mark laws of other Member States because it protects trade-mark owners against the use of identical or similar signs in circumstances in which the consumer is in no way confused as to the origin of the product and so provides protection also against harm caused by virtue of what is known as degradation and dilution of trade marks. Those concepts are well illustrated by the case in the Benelux Court of Claeryn and Klarein, [21] which was referred to by the Netherlands, Belgian and Luxembourg Governments. Under the second indent of Article 13 A.1 of the Benelux Law, in the version in force at the time, a trade-mark owner was entitled to oppose any use of the mark or a similar sign in circumstances which, in the field of commerce and without due cause, were liable to cause harm to the mark. The case concerned the mark 'Claeryn' for a Dutch gin and 'Klarein' for a liquid cleaning agent, which are apparently pronounced identically in the Dutch language.

39. In that case the Benelux Court expressed the view that one of the advantages of a trade mark is the capacity to stimulate the desire to buy the kind of goods for which the mark is registered and that that capacity can be adversely affected by use of the mark or a similar sign for non-similar goods. It was of the opinion that that could occur in two

21 — Case A 74/1, judgment of 1 March 1975, Jurisprudence of the Benelux Court of Justice 1975, p. 472.

different situations: when the blurring of the distinctiveness of the mark means that it is no longer capable of arousing immediate association with the goods for which it is registered and used (which is presumably what is meant by the concept of 'dilution' of trade marks); or when the goods for which the infringing mark is used appeal to the public's senses in such a way that the trade mark's power of attraction is affected (which is presumably what is meant by the 'degradation' of trade marks). Since it was considered that the similarity between the two marks might cause consumers to think of a cleaning agent when drinking 'Claeryn' gin, the 'Klarein' mark was held to infringe the 'Claeryn' mark, even though there was considered to be no risk that consumers would think that the products came from the same or connected companies. I shall refer henceforth to the type of association which does not involve any confusion relating to origin as 'non-origin association'. [22]

40. A further example is the case quoted by the Belgian Government at the hearing, concerning the marks 'Monopoly' and 'Anti-Monopoly'. [23] In that case the Hoge Raad (Supreme Court) of the Netherlands allowed the owner of the trade-mark 'Monopoly' for the well-known board game to oppose the use of the sign 'Anti-Monopoly' in relation to a game which was, in deliberate contrast to Monopoly, anti-capitalistic. That case has been used as an example of a situation in which there was no risk of confusion because one mark was the reverse, indeed the negation, of the other — although it appears that in the Dutch proceedings on the subject the court actually found on the evidence that a significant portion of the public would be confused between the two. [24]

41. Thus it appears that, under the Benelux concept of 'association', a trade-mark owner has the right to oppose the use of signs which 'bring to mind' his mark, even if there is no risk of the consumer thinking that the product bearing the competing sign is in any way connected with the trade-mark owner.

Negotiating history of the Directive

42. The Benelux countries maintain that it was the intention of the Directive to include their concept of 'association' within Community trade-mark law: this is what they had argued for in the negotiations preceding the adoption of the Directive. They rehearse the history of the negotiation of the Directive and point to a statement which was allegedly entered in the unpublished Council minutes to the effect that 'the Council and the

22 — A term employed by Mr Justice Laddie in the English High Court in the case of *Wagamama Ltd* v *City Centre Restaurants Plc and Another*, [1995] F. S. R. 713, discussed below.

23 — *Edor* v *General Mills Fun* 1978 Ned. Jur. 83.

24 — See W. R. Cornish, *Intellectual Property*, Third Edition, p. 622.

Commission note that "likelihood of association" is a concept which in particular has been developed by Benelux case-law'. An article by two members of the Benelux delegation involved in negotiating the Directive [25] describes the discussions which took place concerning the use of the word 'association'. Towards the end of that article they state:

'Initially the Netherlands had attempted to lay down the text of Article 13A(1) of the Benelux Trade Mark Act as such in an optional stipulation. As that did not work out, attempts were made to have the concept of the "risk of association" as developed by the Benelux Court accepted as an alternative to "the risk of confusion". When no support was gained for the latter option either, the Benelux countries finally, in view of the final version of the legal preamble and the declaration in the Council Minutes, ... and also in view of the results already attained with other items, accepted the final proposal of compromise by the other countries for Article 3 section 1 sub b) of the Draft Directive: ... "a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."'

43. That account appears to be in line with the explanation for the inclusion of that term advanced in the observations of the French and United Kingdom Governments. However, even if regard could be had to the history of the negotiations and the statement allegedly included in the Council minutes, it seems to me that the information they reveal is at best ambiguous. So far as the alleged statement is concerned, I do not think it is permissible to rely upon it; [26] but the content of that statement is in any event uncontroversial. What is disputed is the precise effect of the reference in the Directive to the likelihood of association; and on that point the statement is of no assistance. So far as the history of the negotiations is concerned, it is significant that that history was relied upon in argument before this Court both by those in favour of a broad interpretation of the concept of association for the purposes of the Directive and by those in favour of a narrow interpretation, to opposite effect. I conclude that these matters are of no assistance in interpreting the Directive.

The terms of the Directive

44. The answer to the second part of the Bundesgerichtshof's question is arguably clear from the very terms of the provisions, without any need to refer to extraneous sources as an aid to interpretation. Both

25 — Fustner and Geuze, 'Scope of Protection of the Trade Mark in the Benelux Countries and EEC-harmonization', *ECTA Newsletter*, March 1989, 215, cited by Cornish, op. cit., p. 620, note 44.

26 — See Case C-292/89 *Antonissen* [1991] ECR I-745, paragraph 18 of the judgment; Joined Cases C-197/94 and C-252/94 *Bautiaa and Société Française Maritime* [1996] ECR I-505, paragraph 51.

Article 4(1)(b) and Article 5(1)(b) state that the likelihood of confusion 'includes' the likelihood of association, not vice versa. What is thus clear is that even if, under Benelux law, the concept of association can stretch further than cases involving direct or indirect confusion, it cannot do so for the purposes of the Directive. The Benelux countries have not sought to argue that non-origin association amounts to confusion, simply that it has been brought within the Directive. But it is difficult to see how association not involving confusion can be brought within the Directive when the Directive requires a likelihood of confusion which *includes* the likelihood of association. As Mr Justice Laddie neatly expressed the point in *Wagamama*, an English case on this very issue: it would be 'unconventional use of language to provide that the smaller (i. e. likelihood of confusion) includes the larger (i. e. likelihood of association)'. [27]

45. The wording of the preamble is to the same effect. The tenth recital, already quoted, [28] states that the likelihood of confusion 'constitutes the specific condition' for the protection afforded by the mark, and appears to suggest that association is one of a number of elements to be taken into account in assessing the likelihood of confusion. Moreover, as mentioned already, that same recital reflects the Court's case-law by stating that the purpose of trade-mark protection is in particular to guarantee the origin function of the mark. No other purpose is mentioned. It can perhaps reasonably be inferred that protection against the likelihood of confusion as to origin is a useful tool of interpretation when assessing the rules relating to the registrability of a mark.

46. Furthermore, it appears to have been only the Benelux countries which, before the introduction of the Directive, embraced the concept of non-origin association for the purposes of their trade-mark law. To have included that concept within the Directive would accordingly have been a major step. Mr Justice Laddie put the point very forcibly in *Wagamama*, commenting that, since it would have significantly extended trade-mark rights and would thereby have significantly restricted the freedom of traders to compete, it would be expected that any such expansion would 'have been stated in clear and unambiguous words so that traders throughout the European Union would be able to appreciate that their legislators had created a new broad monopoly'. Since most Member States appear not to have embraced the concept of non-origin association for the purposes of their trade-mark law and since adoption of that concept would militate against free trade, I agree that, in the absence of clear wording to that effect, the Community legislature cannot be assumed to have intended to embrace such a concept. Moreover it would also have departed significantly from the case-law of the Court on Articles 30 and 36 of the Treaty which, as has been seen, is essentially based on the notion of confusion. Again clearer wording

27 — Cited in note 22, at p. 723.

28 — Paragraph 18 above.

would be expected if that result had been intended.

47. But — contrary to what has been suggested — this does not mean that the words 'includes the likelihood of association' are redundant. As discussed above, confusion for trade-mark law purposes can be understood in a narrow or a broad sense. Thus the reference to 'association' could have been intended simply to make it clear that the concept of confusion is not limited to confusion in the sense that a consumer mistakes one product for another, but extends also to the other types of confusion described at paragraph 38 above.

48. It has also been argued that other provisions of the Directive protect trade marks, under certain conditions, without a requirement of confusion even where the goods are not similar, and that therefore a requirement of confusion cannot be intended where the goods are similar. The argument is not convincing, because the situation covered by the other provisions is sufficiently different to explain the absence of an express requirement of confusion. The situation is one where the earlier mark 'has a reputation in the Member State concerned [29] and where the use of the later trade mark without due cause would take advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark': Article 4(4)(a). It is argued that, if confusion is not required in the case of goods which are not similar, then *a fortiori* it cannot be required in the case of similar goods. The argument is impossible to reconcile with the terms of the Directive, which expressly require confusion in the case of similar goods. Moreover it is obvious that Article 4(4)(a) simply provides a different test from that of confusion, by requiring it to be shown that the use of the later mark would take advantage of, or be detrimental to, the earlier mark, and that that test is appropriate to the specific purpose of the provisions, which is to protect marks with a reputation. It is impossible to infer, from the absence of a reference to the requirement of confusion in those cases, that the Directive — contrary to its express wording — does not require confusion in the very different situation of ordinary marks covering similar goods.

49. It is true that Article 4(4)(a) applies only where the goods are dissimilar. But it cannot be inferred that, if confusion is not necessary in the case of dissimilar goods, it cannot be necessary in the case of similar goods under Article 4(1)(b). As the United Kingdom points out, the reason why Article 4(4)(a) applies only where goods are dissimilar is no doubt that, where goods are similar to goods covered by a mark with a reputation, it is difficult to imagine a situation in which there will be no likelihood of confusion. A possible example that has been suggested is the

29 — Or, in the case of a Community trade mark, a reputation in the Community: Article 4(3).

'Anti-Monopoly' case already referred to: there it is said that the owner of the mark 'Monopoly' was allowed to oppose the use of the sign 'Anti-Monopoly' although, given the deliberate contrast between the marks, there was no likelihood of confusion. Even in that case, however, there was, as mentioned above, evidence of a likelihood of confusion.

The purpose of the Directive

50. Even if the language of the Directive were not regarded as establishing conclusively the view which I have suggested, namely that the Directive lays down a requirement of confusion in all cases falling under Article 4(1)(b), that view would also find support in the purpose of the Directive. It would hardly be consistent with the purpose of a directive adopted under Article 100a of the Treaty to adopt an interpretation which, by extending the scope of protection of marks in many Member States, had the effect of restricting trade. As the Commission points out, the directives adopted pursuant to Article 100a are designed to achieve the objectives set out in Article 7a, in particular to guarantee the free movement of goods and services within the internal market. The first recital of the Directive recalls those objectives in stating that 'the trade mark laws at present applicable in the Member States contain disparities which may impede the free movement of goods and the freedom to provide services' and that 'it is therefore necessary, in view of the establishment and functioning of the internal market, to approximate the laws of Member States'. The Commission concludes, with good reason in my view, that those objectives militate against an extensive interpretation of the likelihood of confusion which would lead to unjustified restrictions on the free flow of goods and services.

51. Moreover the Directive must be read as laying down a common standard on the basis of which trade marks from different national systems are enabled to co-exist. The standard should not therefore be set at too high a level. In that respect the Directive is perhaps different from harmonizing measures in other sectors, where a high level of protection may be desirable in the general interest and where what is essential to ensure free trade is merely that the same standard should be set for all Member States. The Trade Marks Directive, if interpreted too stringently, would have the effect of insulating the national markets. In the absence of a clear intention to that effect, the Directive should accordingly not be read as imposing the most restrictive standard found in the laws of Member States.

The context of the Directive

52. It is also relevant to note at this point the establishment of the Community trade

mark under the Community Trade Mark Regulation, [30] which, as mentioned above, contains provisions relating to confusion between marks which are virtually identical to those in the Directive. It is clearly appropriate that the provisions of the Directive should be interpreted in the same way as the corresponding provisions of the Regulation. A Community mark can be granted only in respect of the whole of the territory of the Community and thus a conflict with just one mark in one country suffices to prevent registration of a mark as a Community mark. An application to register a mark may be opposed on the basis of an existing Community mark, a mark registered in any Member State, or, in certain circumstances, an unregistered right recognized in a Member State. [31] Too broad a protection for trade-marks on the basis of a risk of 'association' with other marks would accordingly make it very difficult for many marks to be registered at Community level. If the Community trade-mark system is to function effectively, and if applications are not to be swamped by opposition proceedings, it seems essential that marks should be registrable in the absence of a genuine and properly substantiated risk of confusion.

53. Moreover, no mention is made of association in the international Conventions to which the Community and/or Member States are party. Although the final recital of the Directive stresses that its provisions must be 'entirely consistent with those of the Paris Convention', [32] that Convention makes express reference only to confusion. Article 10 *bis* 3(1), relating to unfair competition, imposes the duty to prohibit, *inter alia*, 'all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor'. [33] Furthermore, Article 6 *bis*, relating to well-known marks, provides that countries of the Union undertake 'to refuse or to cancel the registration, and to prohibit the use, of a trade mark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country ... and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.' [34]

54. Article 16(1) of the Agreement on Trade-Related Aspects of Intellectual Property

30 — Cited in note 6.

31 — See Article 8(1) and (2) of the Regulation.

32 — Paris Convention for the Protection of Industrial Property of March 20, 1883, as last revised at Stockholm on July 14, 1967.

33 — Article 6, however, provides that the 'conditions for the filing and registration of trade marks shall be determined in each country of the Union by its domestic legislation', and Article 6 quinquies B(1) provides that trade marks may be denied registration or invalidated if, *inter alia*, they 'are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed'. Article 5(1) of the Madrid Agreement concerning the International Registration of Marks (above, note 4) provides that refusal by a Contracting Party of protection pursuant to international registration can be based only on the grounds which would apply under the Paris Convention.

34 — Under TRIPS this article applies *mutatis mutandis* to services and, on certain conditions, to dissimilar goods and services: Article 16(2) and (3) respectively.

Rights ('TRIPS') [35] similarly provides that 'The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed ...' [36] There is therefore no inconsistency between the Directive on the view I take and those international instruments.

55. Taking account of the language, the purpose and the context of the Directive, therefore, I consider that, while the likelihood of association with an earlier mark is a factor to be taken into account, registration of a mark cannot be opposed unless it is established that there is a genuine and properly substantiated likelihood of confusion about the origin of the goods or services in question.

56. In answer to the second part of the question referred by the Bundesgerichtshof, I accordingly conclude that the use of the word 'association' in Article 4(1)(b) of the Trade Marks Directive does not mean that the registration of a mark can be opposed merely on the ground that, because the idea behind it and another mark is the same, there is a risk that the public will associate the two marks in the sense that one will simply bring the other to mind without any likelihood of the consumer being confused.

57. I turn now to the first part of the question referred. The Bundesgerichtshof seeks to establish whether it is sufficient for a finding of a risk of confusion that two marks, one composed of a text and a picture and one consisting merely of a picture, which are used or registered in respect of identical and similar goods, convey the same idea (in the present case, a bounding feline beast of prey). It specifies that the registered mark is not 'especially well known to the public'.

58. The first point to note is that, as I have just concluded, the Directive requires that there be a likelihood of the consumer being misled in some way as to the origin of the goods. Whether or not, on the facts of a particular case, there is such a likelihood is essentially a question of fact for the national court. However, the Bundesgerichtshof's question gives rise to two questions of law.

35 — OJ 1994 L 336, p. 214.

36 — However, Article 15(2) of TRIPS provides that Members may deny registration of a trade mark on grounds other than those in that Agreement (Article 15(1)), provided they do not derogate from the provisions of the Paris Convention.

59. First, the question is posed on the basis that one mark includes a text, in addition to a picture, whereas the other does not, and the Bundesgerichtshof has explained that, in its view, that fact does not in itself prevent there being a similarity between the two marks for trade-mark law purposes since it is the overall impression conveyed by each sign which counts. The application of the principle that regard must be had to the overall impression conveyed by trade marks appears to be common amongst Member States; indeed that principle is perhaps self-evident. Given that the essential criterion is the likelihood of confusion, the Bundesgerichtshof must be correct in considering that what is important is the overall impression conveyed by the mark. It follows that the inclusion of a textual element in one of two pictorial marks does not in itself suffice to preclude a finding that there is a likelihood of confusion arising from the similarity of the two marks. Whether, in a particular case, the inclusion of text in one mark is sufficient to avoid the likelihood of confusion arising from the similarity of the pictorial elements of the two marks is essentially a question of fact for the national court.

60. Secondly, the Bundesgerichtshof seeks to establish whether, as a matter of principle, it can base a finding of a risk of confusion upon the mere fact that 'the two signs coincide as to their signification (in this case, a bounding feline beast of prey)'.

61. It seems to me that if two pictorial marks convey the same idea, there might be circumstances in which, even if the registered mark is not well known and even if the two images are drawn as differently as possible, the public might nevertheless confuse the two marks. For example, a trade mark might consist of an unusual invented image, or an unusual combination of natural images, such as, respectively, a puma playing a violin or a puma grouped with a snake and a bird. I do not consider it unreasonable for such marks to be protected under trade-mark law against reproductions of the concept which they convey, however differently the competing marks might be drawn.

62. It is arguable that cases in which the similarity of two marks is purely conceptual should be left to Member States' unfair competition laws. I see no reason however for construing the Directive as excluding conceptual similarity from the scope of trade-mark protection. All the Directive requires is that there be a likelihood of confusion as a result of the similarity of the marks. The Directive does not purport to limit the ways in which that confusion might arise. Moreover, trade-mark protection in respect of conceptual similarity does not appear to be uncommon amongst Member States. However, it seems to me that it will be difficult to establish the likelihood of confusion on the basis of conceptual similarity alone in circumstances in which the earlier mark is not well known, particularly when, as here, the

image in question is not particularly creative or unusual.

63. I accordingly conclude, in answer to the first part of the question referred, that a finding of a likelihood of confusion may be based on the fact that the ideas conveyed by the pictorial elements of two trade marks are similar, provided that it is established that there is a genuine and properly substantiated likelihood of confusion about the origin of the goods or services in question.

Conclusion

64. I am accordingly of the opinion that the question referred by the Bundesgerichtshof should be answered as follows:

(1) Article 4(1)(b) of the First Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that, while the likelihood of association with an earlier mark is a factor to be taken into account, registration of a mark cannot be opposed unless it is established that there is a genuine and properly substantiated likelihood of confusion about the origin of the goods or services in question.

(2) The registration of a mark cannot be opposed merely on the ground that, because the idea behind it and another mark is the same, there is a risk that the public will associate the two marks in the sense that one will simply bring the other to mind without a likelihood of confusion as described above.

(3) Where there is a similarity between two pictorial marks, one of which includes a text, the inclusion of a textual element in one of the marks does not in itself suffice to preclude a finding that there is a likelihood of confusion as described above.

(4) The registration of a trade mark may be opposed on the basis that the ideas conveyed by the pictorial elements of two trade marks are similar, provided that it is established that there is a likelihood of confusion as described above.