

AIPPI
125 years of balancing
Intellectual Property



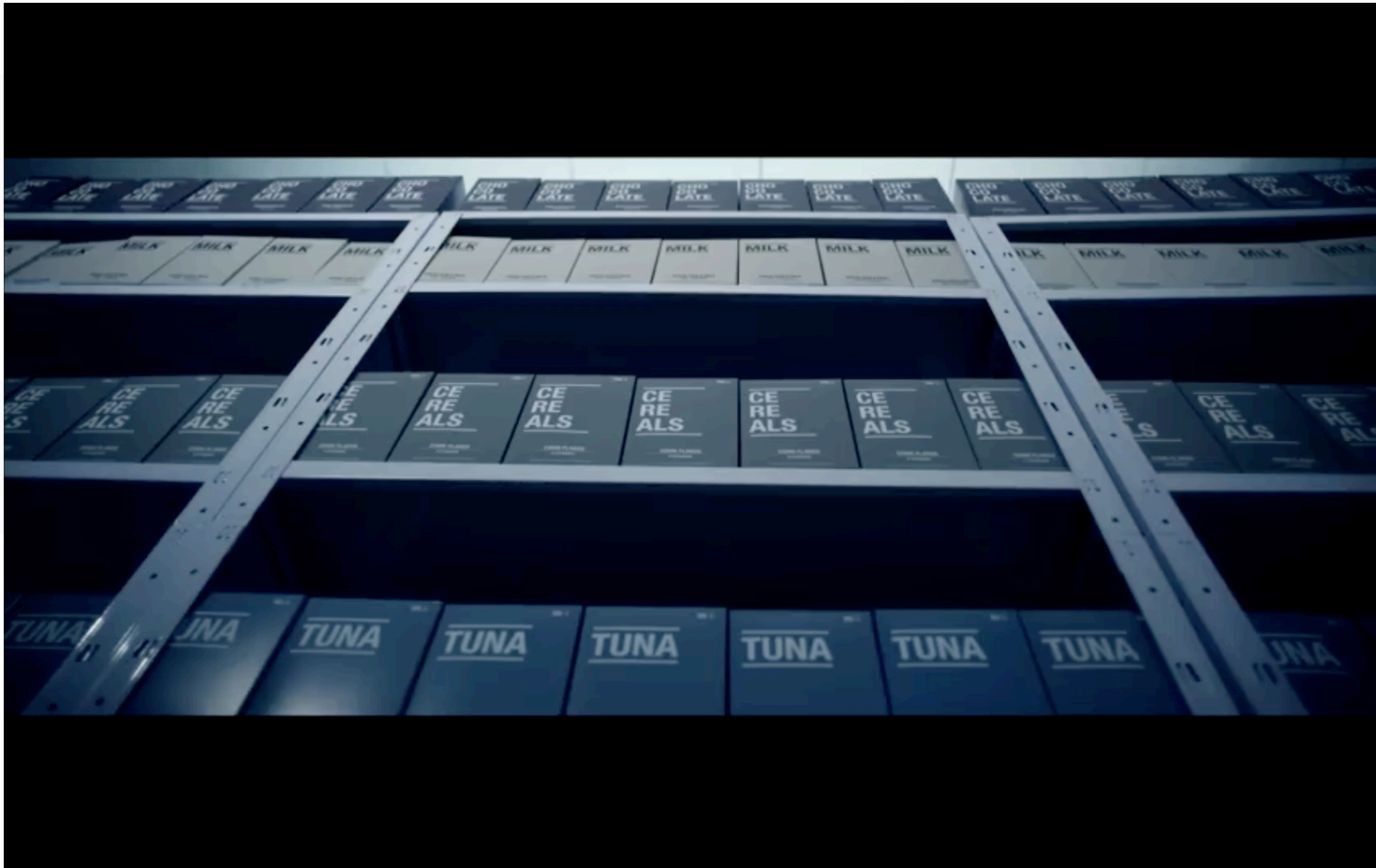
For Consumer's Sake!

Trademark and Consumer Welfare

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M. Huertas (producer: EUIPO), *IDENTICAL*, Extract (3:03-3:37), <https://www.youtube.com/watch?v=UuNFIMrvNaQ>

Trademark and Consumer Welfare

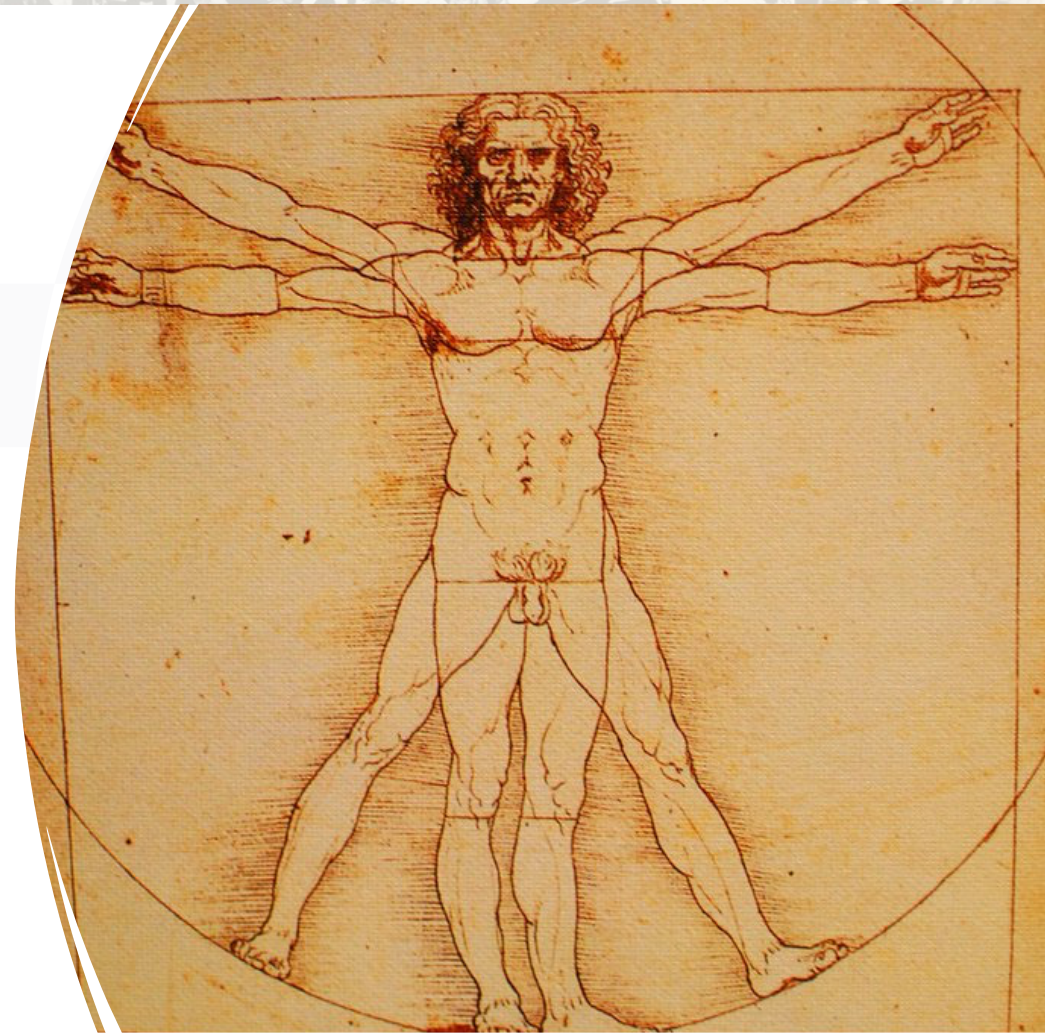
- Reduction of consumer search costs

‘(...) the clear indication of the commercial origin of goods and services reduces consumers’ search costs. Preserving the integrity of identifiers of commercial source, trademark law protects consumers from being deceived into purchasing undesired products. In addition, it creates a market environment in which consumers can generally rely on source indicators (...)

*Trade marks enhance market efficiency by playing the role of “**shorthand indicators**” (...)*

(A. Kur, M. Senftleben, *European Trade Mark Law – A Commentary*, Oxford, Oxford University Press, 2017, p. 7-8)

THE DEFINING ROLE OF THE CONSUMER IN TRADEMARK LAW



The defining role of the Consumer in Trademark Law

- **Distinctive** (art. 4(1)(b) and (4) TMD ; 7(1)(b) and (3) EUTMR)
 - CJEU, *Apple*, C-421/13, para. 22: *‘The distinctive character of the sign must be **assessed in concreto by reference to, first, the goods or services in question and, second, the perception of the relevant public, namely the average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect**’*
 - Also acquired distinctive character, see CJEU, *Oberbank*, C-217/13 and C-218/13, para. 39
- **Descriptive** (art. 4(1)(c) TMD ; 7(1)(c) EUTMR)
 - CJEU, *Apple*, C-421/13, para. 23: *‘It is **also by an assessment in concreto** that the competent authority must determine whether or not the sign is descriptive of the characteristics of the goods or services concerned (...)*’



The defining role of the Consumer in Trademark Law

- **Generic** (art. 4(1)(d) and 20(a) TMD ; 7(1)(d) and 58(1)(b) EUTMR)
 - CJUE, *Kornspitz*, C-409/12, para. 28-29 : ‘(...) whether a trade mark has become the common name in the trade for a product or service in respect of which it is registered must be assessed not only in the light of the perception of consumers or end users but also, depending on the features of the market concerned, in the light of the perception of those in the trade, such as sellers. (...) However, (...) the **perception of consumers or end users will play a decisive role.**’
- **Deceptive** (art. 4(1)(g) and 20(b) TMD ; 7(1)(g) and 58(1)(c) EUTMR)
 - CJEU, *Elizabeth Emanuel*, C-259/04, para. 46-47 : ‘ (...) the public interest ground which justifies the prohibition laid down by Article 3(1)(g) of Directive 89/104 to register a trade mark which is liable to deceive the public, namely **consumer protection**, must raise the question of the risk of confusion which such a trade mark may engender in the mind of the average consumer (...) the circumstances for refusing registration referred to in Article 3(1)(g) of Directive 89/104 presuppose the **existence of actual deceit or a sufficiently serious risk that the consumer will be deceived**’



The defining role of the Consumer in Trademark Law

- **Likelihood of confusion** (art. 5(1)(b) and 10(2)(b) TMD ; 8(1)(b) and 9(2)(b) EUTMR)
 - CJEU, *Sabel*, C-251/95, para. 23 ; CJEU, *Lloyd*, C-342/97, para. 25-26: ‘(...) *the average consumer of the category of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. For the purposes of that global appreciation, the average consumer of the category of products concerned is deemed to be reasonably well-informed and reasonably observant and circumspect*’



The defining role of the Consumer in Trademark Law

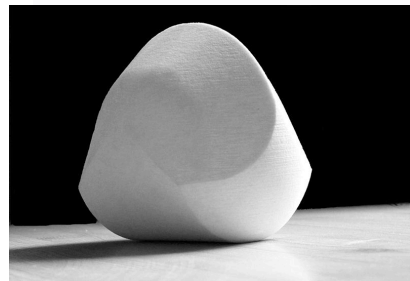
- The many roles of the consumer

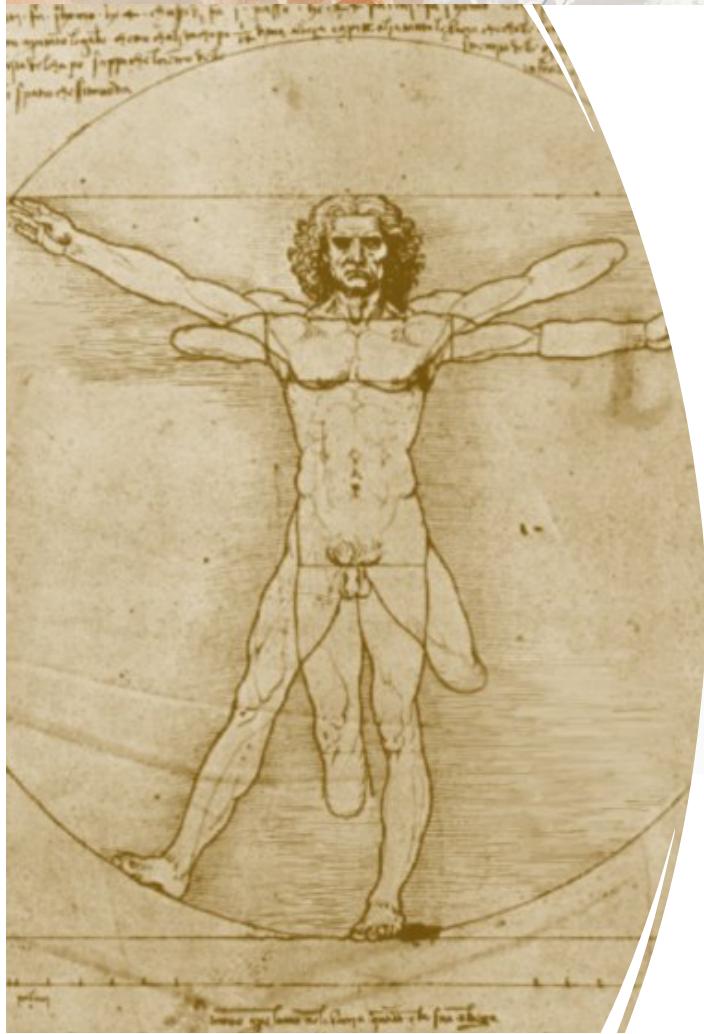
- CJEU, *BGW*, C-20/14, para. 27 : *‘Although the relevant public’s perception of a sign cannot be dependent on the ground for refusal of registration in question, as the national court rightly observes, **the angle from which that perception is viewed, however, varies** according to whether what is being assessed is the descriptiveness of a sign or the existence of a likelihood of confusion.’*



The defining role of the Consumer in Trademark Law

- **If not decisive, relevant: exclusion of ‘technical result’, ‘substantial value’** (art. 4(2)(e)(ii) and (iii) TMD ; 7(1)(e)(ii) and (iii) EUTMR)
 - CJEU, Gömböc, C-237/19, para. 31 and 44 : *‘(...) the presumed **perception by the relevant public** is **not a decisive** factor when applying that ground for refusal, and may, at most, be a **relevant criterion** of assessment for the competent authority when identifying the essential characteristics of the sign’*





THE CONSUMER ROLE RUNNING AGAINST THE COMMON WELFARE

The Consumer against the Common Welfare

- « Need to keep free » at the the protection stage...
 - Absolute grounds for refusal, see CJEU, *Windsurfing Chiemsee*, C-108/97 and C-109/97, para. 26 : *‘As regards, more particularly, signs or indications which may serve to designate the geographical origin of the categories of goods in relation to which registration of the mark is applied for, especially geographical names, it is in the public interest that they remain available (...)’*
 - Subject matter (colours), see CJEU, *Libertel*, C-104/01, para. 60
- ... but not at the infringement stage
 - CJEU, *Adidas*, C-102/07, para. 27 : *‘(...) The fact that there is a need for the sign to be available for other economic operators cannot be one of those relevant factors. (...) the answer to the question as to whether there is a likelihood of confusion must be based on the perception by the public of the goods covered by the mark of the proprietor on the one hand and the goods covered by the sign used by the third party on the other.’*



The Consumer against the Common Welfare

- Inner balance under pressure

*(...) current **tension** in EU trademark law **between a normative and an empirical approach to consumer perception**. Admittedly, the EU trademark law system provides several legal tools to keep the system balanced. However, (...) some legal instruments may not be applied in a sufficiently effective way. Indeed, the **trademark system might give trademark owners dysfunctional incentives to invest in signs that should remain freely available to other traders on the market or the public in general**. (...) To minimise the risk of encouraging traders to invest in signs that need to be kept free, such as non-distinctive, descriptive and generic signs, and to offer breathing space to other traders to use similar signs, it is strongly **advised to allow courts to make normative corrections when assessing infringement questions** (...)'*

*(L. Anemaet, *Trademark Rights and Consumer Perception: The Tension Between a Normative and an Empirical Assessment of Consumer Perception in EU Trademark Law*, Ph.D. thesis, Vrije Universiteit Amsterdam, 2021, p. 186)*

THANK YOU

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