

JUDGMENT OF THE COURT
11 November 1997 *

In Case C-251/95,

REFERENCE to the Court under Article 177 of the EC Treaty by the Bundesgerichtshof for a preliminary ruling in the proceedings pending before that court between

SABEL BV

and

Puma AG, Rudolf Dassler Sport

on the interpretation of Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p.1),

THE COURT,

composed of: G. C. Rodríguez Iglesias, President, C. Gulmann (Rapporteur), H. Ragnemalm and M. Wathelet, (Presidents of Chambers), G. F. Mancini,

* Language of the case: German.

J. C. Moitinho de Almeida, P. J. G. Kapteyn, J. L. Murray, D. A. O. Edward, J.-P. Puissochet, G. Hirsch, P. Jann and L. Sevón, Judges,

Advocate General: F. G. Jacobs,
Registrar: H. A. Rühl, Principal Administrator,

after considering the written observations submitted on behalf of:

- Puma AG, Rudolf Dassler Sport, by W. Hufnagel, Patentanwalt,
- the French Government, by C. de Salins, Deputy Director in the Legal Affairs Department of the Ministry of Foreign Affairs, and P. Martinet, Secretary for Foreign Affairs in that Ministry, acting as Agents,
- the Netherlands Government, by A. Bos, Legal Adviser in the Ministry of Foreign Affairs, acting as Agent,
- the United Kingdom Government, by L. Nicoll, of the Treasury Solicitor's Department, acting as Agent, assisted by M. Silverleaf, Barrister,
- the Commission of the European Communities, by J. Grunwald, Legal Adviser, and B. J. Drijber, of its Legal Service, acting as Agents,

having regard to the Report for the Hearing,

after hearing the oral observations of SABEL BV, represented by R. E. P. de Ranitz, of The Hague Bar; of the Belgian Government, represented by A. Braun, of the Brussels Bar; of the French Government, represented by P. Martinet; of the Luxembourg Government, represented by N. Decker, of the Luxembourg Bar; of the United Kingdom Government, represented by L. Nicoll, assisted by M. Silverleaf; and of the Commission, represented by J. Grunwald, at the hearing on 28 January 1997,

after hearing the Opinion of the Advocate General at the sitting on 29 April 1997,

gives the following

Judgment

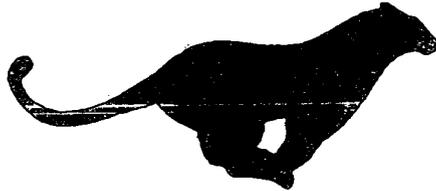
- 1 By order of 29 June 1995, received at the Court on 20 July 1995, the Bundesgerichtshof (Federal Court of Justice) referred to the Court for a preliminary ruling under Article 177 of the EC Treaty a question on the interpretation of Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1, hereinafter 'the Directive').

- 2 That question was raised in proceedings between the Dutch company SABEL BV (hereinafter 'SABEL') and the German company Puma AG, Rudolf Dassler Sport (hereinafter 'Puma') concerning an application to register the IR mark 540 894, depicted below,



in Germany, *inter alia* for goods in classes 18 'Leather and imitation leather, products made therefrom not included in other classes; bags and handbags' and 25 'Clothing, including tights, hosiery, belts, scarves, ties/cravats and braces; footwear; hats'.

- 3 Puma lodged opposition to the registration of that mark on the ground, in particular, that it was the proprietor of the pictorial mark depicted below,



which was of earlier priority and registered in Germany (under No 1 106 066), *inter alia* for 'leather and imitation leather, goods made therefrom (bags) and articles of clothing'.

- 4 The Deutsches Patentamt (German Patent Office) considered there to be no resemblance for the purposes of trade-mark law between the two marks and rejected the opposition. Puma therefore appealed to the Bundespatentgericht (Federal Patents Court) which partially upheld its application and held that there was a resemblance between the two marks with respect to SABEL's goods in classes 18 and 25, which it regarded as being identical or similar to the goods on the list of articles covered by the Puma mark. SABEL then appealed to the Bundesgerichtshof for annulment of the decision refusing its application.
- 5 The Bundesgerichtshof provisionally considered that, applying the principles applied hitherto under German law for determining whether there is a likelihood of confusion for trade-mark purposes, no such likelihood existed as regards the two marks in question.

- 6 The criteria applied by the Bundesgerichtshof in order to reach that provisional conclusion are, in essence, as follows:
- In determining whether there is a likelihood of confusion, the court must focus on the overall impression made by the respective signs. It is not permissible to isolate one element out of a graphic ensemble and to restrict examination of the likelihood of confusion to that element alone. However, an individual component may be recognized as having a particularly distinctive character which characterizes the sign as a whole, and, consequently, a likelihood of confusion may be found to exist if another party's sign resembles the whole of the sign so characterized. Even in such a case, however, the two signs must be compared in their entirety and the comparison must not be confined to their individual (characterizing) elements.
 - A sign may have a particularly distinctive character either *per se* or because of the reputation the mark enjoys with the public. The more distinctive its character, the greater the risk of confusion. However, since no submission had been made on that point in the present case, the starting point for examining the similarity of the two marks is that the earlier mark has normal distinguishing characteristics.
 - The assessment of whether an element has such significance as to characterize the sign as a whole is, essentially, a matter for the court called upon to adjudicate on the substance of the case, subject however to its observing the rules of logic and common sense. The Bundespatentgericht cannot be criticized in law for stressing the importance of the pictorial component of the SABEL mark and considering that the textual component of the mark was of only secondary importance.
 - Strict criteria must be applied with respect to the likelihood of confusion between pictorial components which are basically descriptive and have little imaginative content. The depiction of a bounding feline is a pictorial component which closely follows a natural model and reproduces the bounding

motion typical of such animals. The particular features of the depiction of the bounding feline in the Puma mark, for example its depiction as a silhouette, are not reproduced in the SABEL mark. The fact that there is an analogy between the pictorial components of the two marks can therefore not be adduced as a ground for finding that there is a likelihood of confusion.

- 7 None the less, the Bundesgerichtshof seeks to ascertain the importance to be accorded to the semantic content of the marks (in the present case, a 'bounding feline') in determining the likelihood of confusion. That difficulty is occasioned, in particular, by the ambiguous wording of Article 4(1)(b) of the Directive, in terms of which the likelihood of confusion 'includes the likelihood of association with the earlier trade mark'. The question therefore arises for the national court whether the mere association which the public might make between the two marks, through the idea of a 'bounding feline', justifies refusing protection to the SABEL mark in Germany for products similar to those on the list of articles covered by Puma's priority mark.

- 8 The Directive, which was implemented in Germany by the Gesetz über den Schutz von Marken und sonstigen Kennzeichen (Law on the Protection of Trade Marks and Other Signs) of 25 October 1994 (BGBl I, p. 3082), contains, in Article 4(1)(b), the following provision:

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

(a)...

(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.'

- 9 The tenth recital in the preamble to the Directive 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’.

- 10 The Bundesgerichtshof decided to stay proceedings and to refer the following question to the Court for a preliminary ruling:

‘With reference to the interpretation of 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, is it sufficient for a finding that there is a likelihood (*Gefahr*: 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 semantic content (in this case, a bounding feline)?

What is the significance in this connection of the wording of the Directive, in terms of which the likelihood (*Gefahr*: risk) of confusion includes the likelihood that a mark may be associated with an earlier mark?’

- 11 In its question the Bundesgerichtshof is essentially asking whether the criterion of the 'likelihood of confusion ... which includes the likelihood of association with the earlier trade mark' contained in Article 4(1)(b) of the Directive is to be interpreted as meaning that the mere association which the public might make between the two marks as a result of a resemblance in their semantic content, is a sufficient ground for concluding that there exists a likelihood of confusion within the meaning of that provision, taking into account that one of those marks is composed of a combination of a word and a picture, whilst the other, consisting merely of a picture, is registered for identical and similar goods, and is not especially well known to the public.
- 12 Article 4(1)(b) of the Directive, which sets out the additional grounds on which registration may be refused or a registered mark declared invalid in the event of conflict with earlier marks, provides that a trade mark conflicts with an earlier trade mark if, because of the identity or similarity of both the trade marks and the goods or services covered, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the two marks.
- 13 Essentially identical provisions are found in Article 5(1)(a) and (b) of the Directive, which defines the situations in which the proprietor of a trade mark is entitled to prevent third parties from using signs identical with or similar to its trade mark, and in Articles 8(1)(b) and (9)(1)(b) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).
- 14 The Belgian, Luxembourg and Netherlands Governments claimed that the term 'likelihood of association' was included in those provisions of the Directive at their request, in order that they should be construed in the same manner as Article 13a

of the Uniform Benelux Law on Trade Marks which adopts the concept of resemblance between marks, rather than that of likelihood of confusion, in defining the scope of the exclusive right conferred by a trade mark.

15 Those governments refer to a judgment of the Benelux Court holding that there is resemblance between a mark and a sign when, taking account of the particular circumstances of the case, in particular the distinctiveness of the mark, the mark and the sign, considered separately and together, present, aurally, visually or conceptually, a similarity such as to establish an association between the sign and the mark (judgment of 20 May 1983 in Case A 82/5 *Jullien v Verschuere*, Jur. 1983, vol. 4, p. 36). That decision is based on the idea that, where a sign is likely to give rise to association with a mark, the public makes a connection between the sign and the mark. Such a connection may be prejudicial to the earlier mark not only if it gives the impression that the products have the same or a related origin, but also where there is no likelihood of confusion between the sign and the mark. Since perception of the sign calls to mind, often subconsciously, the memory of the mark, associations made between a sign and a mark can result in the 'goodwill' attached to the earlier mark being transferred to the sign and dilute the image linked to that mark.

16 According to those governments, the likelihood of association may arise in three sets of circumstances: (1) where the public confuses the sign and the mark in question (likelihood of direct confusion); (2) where the public makes a connection between the proprietors of the sign and those of the mark and confuses them (likelihood of indirect confusion or association); (3) where the public considers the sign to be similar to the mark and perception of the sign calls to mind the memory of the mark, although the two are not confused (likelihood of association in the strict sense).

17 It must therefore be determined whether, as those governments claim, Article 4(1)(b) can apply where there is no likelihood of direct or indirect confusion,

but only a likelihood of association in the strict sense. Such an interpretation of the Directive is contested by both the United Kingdom Government and by the Commission.

- 18 In that connection, it is to be remembered that Article 4(1)(b) of the Directive is designed to apply only if, by reason of the identity or similarity both of the marks and of the goods or services which they designate, 'there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark'. It follows from that wording that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope. The terms of the provision itself exclude its application where there is no likelihood of confusion on the part of the public.
- 19 The tenth recital in the preamble to the Directive, according to which 'the likelihood of confusion ... constitutes the specific condition for such protection', also confirms that interpretation.
- 20 Furthermore, the interpretation given in paragraph 18 of this judgment is not inconsistent with Article 4(3) and (4)(a) and Article 5(2) of the Directive, which permit the proprietor of a trade mark which has a reputation to prohibit the use without due cause of signs identical with or similar to his mark and do not require proof of likelihood of confusion, even where there is no similarity between the goods in question.
- 21 In that respect, it is sufficient to note that, unlike Article 4(1)(b), those provisions apply exclusively to marks which have a reputation and on condition that use of

the third party's mark without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

22 As pointed out in paragraph 18 of this judgment, Article 4(1)(b) of the Directive does not apply where there is no likelihood of confusion on the part of the public. In that respect, it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion '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'. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.

23 That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive — '... there exists a likelihood of confusion on the part of the public ...' — shows that the perception of marks in the mind of the average consumer of the type 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.

24 In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a

particularly distinctive character, either *per se* or because of the reputation it enjoys with the public.

25 However, in circumstances such as those in point in the main proceedings, where the earlier mark is not especially well known to the public and consists of an image with little imaginative content, the mere fact that the two marks are conceptually similar is not sufficient to give rise to a likelihood of confusion.

26 The answer to the national court's question must therefore be that the criterion of 'likelihood of confusion which includes the likelihood of association with the earlier mark' contained in Article 4(1)(b) of the Directive is to be interpreted as meaning that the mere association which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion within the meaning of that provision.

Costs

27 The costs incurred by the Belgian, French, Luxembourg, Netherlands and United Kingdom Governments and by the Commission of the European Communities, which have submitted observations to the Court, are not recoverable. Since these proceedings are, for the parties to the main proceedings, a step in the proceedings pending before the national court, the decision on costs is a matter for that court.

On those grounds,

THE COURT,

in answer to the question referred to it by the Bundesgerichtshof by order of 29 June 1995, hereby rules:

The criterion of 'likelihood of confusion which includes the likelihood of association with the earlier mark' contained in Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that the mere association which the public might make between two trade marks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion within the meaning of that provision.

Rodríguez Iglesias

Gulmann

Ragnemalm

Wathelet

Mancini

Moitinho de Almeida

Kapteyn

Murray

Edward

Puissochet

Hirsch

Jann

Sevón

Delivered in open court in Luxembourg on 11 November 1997.

R. Grass

G. C. Rodríguez Iglesias

Registrar

President