

OPINION OF ADVOCATE GENERAL

JACOBS

delivered on 9 June 2005¹

1. In the present case, the Oberlandesgericht (Higher Regional Court), Düsseldorf, has referred to the Court a question on the interpretation of Article 5(1)(b) of the Trade Marks Directive.²

LIFE) which consists of a single word with 'normal distinctiveness' and which, although it does not shape or mould the overall impression conveyed by the composite sign, has an independent distinctive role therein. The referring court's question was prompted in particular by the 'Prägetheorie',³ a doctrine of German trade mark law developed by the Bundesgerichtshof (Federal Court of Justice), considered below.

2. That provision entitles a trade mark proprietor to prevent others from using in the course of trade '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'.

The facts and the main proceedings

3. The referring court asks essentially whether there is a likelihood of confusion on the part of the public within the meaning of Article 5(1)(b) where a composite word or word/figurative sign (in the present case, THOMSON LIFE) comprises a company name followed by an earlier mark (namely,

4. The applicant, Medion AG, is the proprietor of the German word mark 'LIFE', registered for electronic entertainment goods.

1 — Original language: English.

2 — 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).

3 — The German verb 'prägen' means literally 'to coin, mint, stamp, impress, emboss' and figuratively 'to mould, shape, form, imprint'.

5. The defendant, Thomson multimedia Sales Germany & Austria GmbH, described by the referring court as a leading undertaking worldwide in the electronic entertainment goods sector, affixes to some of its goods in that sector the designation 'THOMSON LIFE', in some cases as a simple word sign, in other cases as a word/figurative sign with the 'THOMSON' element in different graphic size, colour or style.

6. The Landgericht (Regional Court), Düsseldorf, dismissed an action brought by the applicant to prohibit the defendant's use of the sign 'THOMSON LIFE' on the ground that there was no likelihood of confusion with the 'LIFE' mark.

7. The applicant appealed to the referring court. That court has stayed the proceedings and referred to the Court of Justice for a preliminary ruling the question outlined above.

8. The referring court explains the case-law of the Bundesgerichtshof which articulates the *Prägetheorie* as follows. The starting point in determining trade mark similarity where individual components of conflicting trade marks are the same is the overall impression conveyed by the marks; what must be ascertained is whether the common component characterises the composite mark to the extent that the other components are largely secondary to the overall

impression. There will be no likelihood of confusion on the sole ground that the common component merely contributes to the overall impression. Nor does it matter whether a sign incorporated in a composite mark has retained an independent distinctive role. Individual elements in the overall presentation of goods may however have a distinct role that is independent of the distinguishing function of other components; the components are then viewed in isolation and compared. A component of a sign which the trade recognises as designating not the product as such but the undertaking from which it originates is not generally regarded as characterising the sign. Where a designation of an undertaking is recognisable as such it should as a rule be secondary in terms of overall impression because the market concerned identifies the actual product designation from the other component of the sign.

9. However, it must be ascertained in each case whether the position might exceptionally be otherwise and whether, from the vantage point of the market concerned, the indication of the manufacturer is predominant. The decisive factors are the specific circumstances and usual practice in the relevant product sector. The Bundesgerichtshof has accepted that in the beer and fashion sectors an indication of the manufacturer is particularly important, which is why in those sectors references to the

manufacturer always characterise the overall impression conveyed by the sign; incorporation of an earlier mark into a composite sign containing an indication of the manufacturer does not therefore give rise to any likelihood of confusion. If that is the usual practice in the sector concerned, then the indication of the manufacturer in a composite sign characterises the overall impression even when the other component is more than just slightly distinctive, that is to say is normally distinctive. That is all the more so where the manufacturer's name is unusually distinctive.

10. Applying the above principles to the present case, the referring court considers that there is no likelihood of confusion because the manufacturer designation 'THOMSON' characterises the overall impression conveyed by the contested designation 'THOMSON LIFE'; the 'LIFE' component therefore does not characterise it on its own. It is apparent from the evidence provided by the parties that the usual practice with regard to designations in the relevant product sector, namely electronic entertainment goods, is for the manufacturer's name to predominate. It is common in that sector to find a product designation together with the manufacturer's name and an unmemorable letter/digit combination.

11. The referring court adds that consideration of the likelihood of confusion in the light of the sound, written form and meaning of the contested designation does not give different results; in every regard the manufacturer name 'THOMSON' substantially influences the overall impression conveyed by the sign 'THOMSON LIFE'.

12. However, the referring court notes that the Bundesgerichtshof's interpretation of the concept of likelihood of confusion is not unquestioned in Germany in factual situations such as that at issue. It is felt to be unfair that a third party can usurp an earlier sign, even if it is normally distinctive, by adding a company name. According to the opposing view, there is a likelihood of confusion in the present case. In the composite sign 'THOMSON LIFE' the trade mark at issue 'LIFE' remains autonomous and distinctive. Both words stand unconnected next to each other. There is no conceptual connection between 'THOMSON' and 'LIFE'. In written form both words are in different configurations both in terms of colour and also in other graphic respects in three of the four contested forms used. The goods designated by the composite sign may be construed as 'LIFE' products from the 'THOMSON' stable; that may give rise to the misconception that the products designated by the applicant with the 'LIFE' tag alone originate from the defendant.

13. The referring court concludes by noting that in *Sabel v Puma*⁴ the Court of Justice ruled that assessment of the likelihood of confusion where signs are similar is dependent on the overall impression conveyed by the signs. The Court has not yet however considered the situation where the effect of that criterion may be to enable a third party to appropriate another's trade mark by the addition of his company name.

14. Written observations have been submitted by the applicant, the defendant and the Commission, all of whom were represented at the hearing.

Assessment

15. The referring court asks essentially whether there is a likelihood of confusion on the part of the public within the meaning of Article 5(1)(b) of the Directive where a composite word or word/figurative sign comprises a company name followed by an earlier mark which consists of a single word with 'normal distinctiveness' and which, although it does not shape or mould the overall impression conveyed by the composite sign, has an independent distinctive role therein.

16. According to the order for reference, the Landgericht Düsseldorf dismissed the action for infringement at first instance because there was no likelihood of confusion. It deemed the components constituting the composite sign THOMSON LIFE to carry the same weight and considered that the common element LIFE could not therefore mould or shape the overall impression of that sign.

17. It is apparent from the order for reference and the observations submitted to the Court that that ruling reflected the Prägetheorie developed by the German Bundesgerichtshof and summarised in points 8 and 9 above. The referring court is essentially asking whether that theory is consistent with the Directive.

18. As a preliminary point I am not convinced that a specific theory which formally articulates a set of rules to apply automatically in certain cases is always, or necessarily, a useful approach to determining the outcome of a given trade mark conflict. In my view the principles which the Court has already laid down in its series of rulings on the relevant provisions of the Directive, Articles 4(1)(b) and 5(1)(b),⁵ provide a sufficient conceptual framework for the

⁴ — Case C-251/95 [1997] ECR I-6191.

⁵ — The terms of Article 4(1)(b) of the Directive, which states the grounds on which a trade mark may be refused registration or, if registered, declared invalid, are substantially identical to those used in Article 5(1)(b). The Court's interpretation of Article 4(1)(b) must accordingly also apply to Article 5(1)(b): Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraphs 26 to 28.

resolution of such conflicts. Reliance on a theoretical answer to my mind carries the risk that national courts may be diverted from themselves applying the essential tests of similarity and confusion which have been laid down by the Community legislature and developed by the Court. Where however a theory simply provides relevant guidance on how to apply those essential tests in a given area or to particular categories of marks, I consider that it may none the less be helpful provided that the national court always bears in mind that, ultimately, it must ensure that the principles laid down by the Court are applied in a given situation.

19. That having been said, I will now turn to those principles.

20. The 10th recital in the preamble to the Directive states 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, [on] the association which can be made with the ... sign, [and on] the degree of similarity between the trade mark and the sign and between the goods or services identified ...'. The Court has ruled that the likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.⁶

It is for the national court to find the existence of a likelihood of confusion.⁷

21. Similarity of the marks in question is thus a necessary but not a sufficient condition for a finding of likelihood of confusion: a number of other factors, on which the Court has given guidance, must also be assessed by the national court.

22. Thus it is clear that there is some interdependence between the factors relevant to a global appreciation of the likelihood of confusion, and in particular between the similarity of mark and sign and the similarity of goods or services covered. Accordingly, a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa.⁸

23. Moreover, the more distinctive the earlier sign, whether per se or because of the reputation it enjoys with the public, the greater the likelihood of confusion.⁹ It is for the national court to determine the distinctive character of a mark; in so doing, that court must make an overall assessment of

6 — *Sabel*, cited in footnote 4, paragraph 22.

7 — *Marca Mode*, cited in footnote 5, paragraph 39.

8 — Case C-39/97 *Canon Kabushiki Kaisha* [1998] ECR I-5507, paragraph 17.

9 — *Sabel*, cited in footnote 4, paragraph 24.

the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings.¹⁰

24. In addition, the reference to the existence of a likelihood of confusion 'on the part of the public' in Article 5(1)(b) of the Directive shows that the perception of marks in the mind of 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.¹¹ The average consumer of the category of products concerned is deemed to be reasonably well informed and reasonably observant and circumspect. However, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should also be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question.¹²

25. Distilling those principles, it may be said that the national court in a case such as the present must in its global appreciation of the likelihood of confusion bear in mind that (i) where, as here, the goods covered by the marks are identical, less similarity between the marks may give rise to a likelihood of confusion but (ii) the more distinctive the earlier mark, the greater will be the likelihood of confusion, so that in the case of LIFE, which is described by the national court as 'normally distinctive', the likelihood of confusion may not be high. The national court must take into account that the average consumer will tend to perceive the composite mark as a whole rather than analyse its elements. In the present case, the average consumer's level of attention to the mark will tend to be lower in the light of the fact (found by the national courts) that in the electronic entertainment goods sector, as in the sectors mentioned in point 9 above, consumers pay particular attention to the designation of the manufacturer. Against that background, the national court must determine whether, in effect, the mark and the sign are sufficiently similar to give rise to a likelihood of confusion.

26. As regards that question, the national court's assessment of similarity must be based on the overall impression given by the marks, bearing in mind, in particular,

10 — Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 22.

11 — *Sabel*, cited in footnote 4, paragraph 23.

12 — *Lloyd*, paragraph 26.

their distinctive and dominant components.¹³ In order to assess the degree of similarity between the marks concerned, the national court must determine the degree of visual, aural or conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed.¹⁴

27. The Court of Justice has not yet had occasion to rule directly on the criteria for determining specifically whether a composite mark comprising a company name followed by an earlier mark which consists of a single word is similar to that earlier mark within the meaning of Article 5(1)(b) of the Directive. It has however by reasoned order dismissed an appeal against a judgment of the Court of First Instance, *Matratzen Concord v OHIM*,¹⁵ which concerned that question. The case concerned Article 8(1)(b) of the Community Trade Mark Regulation,¹⁶ the relevant provisions of which are essentially identical to those of Article 4(1)(b) of the Directive.

28. The Court of First Instance, applying the case-law summarised in points 20, 22 and 24 above,¹⁷ made the following points in its ruling:

'... a complex trade mark cannot 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 forms the dominant element within the overall impression created by the complex mark. That is the case where that component is likely to dominate, by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it.

It should be made clear that that approach does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. However, that does not mean that the overall impression created in the mind of the relevant public by a complex trade mark may not, in certain circumstances, be dominated by one or more of its components.

13 — *Sabel*, cited in footnote 4, paragraph 23.

14 — *Lloyd*, cited in footnote 12, paragraph 27.

15 — Case T-6/01 [2002] ECR II-4335. There is currently pending before the Court of Justice a reference from the Audiencia Provincial (Provincial Court), Barcelona, for a preliminary ruling on a different issue arising in proceedings before that court concerning the same marks (Case C-421/04 *Matratzen Concord*).

16 — Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1).

17 — See paragraphs 24 to 26 of the judgment.

With regard to the assessment of the dominant character of one or more given components of a complex trade mark, account must be taken, in particular, of the intrinsic qualities of each of those components by comparing them with those of other components. In addition and accessorially, account may be taken of the relative position of the various components within the arrangement of the complex mark.¹⁸

29. The Court of First Instance next carried out an assessment of the different elements of the composite sign at issue in that case (MATRATZEN MARKT CONCORD), considering inter alia the degree of distinctive character possessed by each element and whether each element possessed a dominant or marginal position within the composite sign.¹⁹ It concluded that the composite mark was sufficiently similar to the mark MATRATZEN to give rise to a likelihood of confusion given that the goods covered by the marks were in part identical and in part highly similar.²⁰

30. The proprietor of the composite mark appealed to the Court of Justice on the basis inter alia that the Court of First Instance, in interpreting the notion of similarity, had not

fulfilled the requirement of the case-law of the Court of Justice to appreciate globally the likelihood of confusion on the part of the public taking into account all factors relevant to the circumstances of the case.

31. In dismissing that appeal, the Court, referring to its earlier case-law, ruled that the Court of First Instance had not, in deciding whether the marks were similar, erred in law in its interpretation of Article 8(1)(b) of the Community Trade Mark Regulation.²¹ The Court stated in particular:

'The Court [of First Instance] rightly pointed out, in paragraph 34 of the contested judgment, that the assessment of the similarity between two marks does not amount to taking into consideration only one component of a complex trade mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. It also held that that does not mean that the overall impression created in the mind of the relevant public by

18 — Paragraphs 33 to 35.

19 — Paragraphs 38 to 43.

20 — Paragraphs 44 to 48.

21 — Case C-3/03 P *Matratzen Concord v OHIM*, order of 28 April 2004.

a complex trade mark may not, in certain circumstances, be dominated by one or more of its components.

the marks, bearing in mind, in particular, their distinctive and dominant components.²³ The Court's statement in *Matratzen* that the overall impression of a composite mark may, in certain circumstances, be dominated by one or more of its components reflects that proposition. The extent to which the overall impression is so dominated is a question of fact for the national court.

Furthermore, ... the Court [of First Instance], in order to decide whether the two trade marks are similar from the point of view of the relevant public, devoted a significant part of its reasoning to an appreciation of their distinctive and dominant elements and of the likelihood of confusion on the part of the public, a likelihood which it appreciated globally, taking into account all the factors relevant to the circumstances of the case.'²²

32. The Court accordingly dismissed the appeal as manifestly unfounded.

33. It appears therefore that the Court has endorsed an approach similar to the *Prägetheorie*, which essentially consists in comparing the overall impression conveyed by two conflicting marks one of which is a component of the other. That to my mind is perfectly understandable, since it can be regarded as an application to a particular category of cases of the principles articulated in the Court's earlier case-law. That case-law, it will be recalled, calls for a global appreciation based on the overall impression given by

34. The Court of First Instance has recently given judgment in another case which may be thought to be analogous with the present case. In *Reemark v OHIM*,²⁴ the issue was whether the German word mark WEST was confusingly similar to the proposed Community trade mark WESTLIFE, intended to cover identical or similar goods and services. The Opposition Division of OHIM²⁵ rejected the application for the latter mark, essentially on the ground that the marks were confusingly similar. That decision was set aside by the Second Board of Appeal of OHIM, which found that there was a low

23 — *Sabel*, cited in footnote 4, paragraph 23.

24 — Case T-22/04, judgment of 4 May 2005, ECR II-1559.

25 — Office for Harmonisation in the Internal Market (Trade Marks and Designs).

22 — Paragraphs 32 and 33.

degree of visual and aural similarity, and only some degree of conceptual similarity, between the signs at issue, that the differences between them were sufficiently significant to enable them to coexist in the market place and that there was therefore no likelihood of confusion.

likelihood of confusion between the two marks.²⁶

35. On appeal the Court of First Instance found that there was a degree of aural and, in particular, conceptual similarity between the conflicting signs and that the only visual difference was that one sign contained a further element added to the first. That Court held that the fact that the WESTLIFE mark consisted exclusively of the earlier WEST mark, to which another word, 'LIFE', had been added, was an indication that the two marks were similar. It concluded that the existence of the earlier WEST mark might have created an association in the mind of the relevant public between that term and the products marketed by its owner, with the result that the new mark consisting of 'WEST' in combination with another word might well be perceived as a variant of the earlier mark. Therefore, the relevant public might think that the origin of the goods and services marketed under the WESTLIFE mark was the same as that of the goods and services marketed under the WEST mark, or at least that there was an economic link between the various companies or undertakings which marketed them. It accordingly ruled that there was a like-

36. It must be recalled that the Court of First Instance when adjudicating on an appeal from an OHIM Board of Appeal is acting in a different judicial capacity from the Court of Justice when ruling on a preliminary reference under Article 234 EC. The Court of First Instance is reviewing the application by the Board of Appeal of established legal principles to certain facts. The Court of Justice in contrast is answering a question of law; the national court concerned will then apply the principles laid down by the Court in its answer to the case pending before it. It is for that national court to find the facts. The contrast between the judicial context of the two courts is highlighted by the fact that a preliminary ruling given by the Court of Justice must be entirely general in its scope, so that it may be applied throughout the Community; it is thus desirable — or even essential — to avoid case-specific rulings with ever greater detail. That is perhaps particularly so in the field of trade marks, where the result in a given case is likely to be largely dictated by the particular factual matrix, encompassing the linguistic context, the relevant market and consumers, and cultural norms and expectations.

²⁶ — Paragraphs 39, 40, 42 and 43.

37. In the present case, it cannot in my view be assumed that, because the Court of First Instance took the view that the marks WESTLIFE and WEST were confusingly similar in the factual context before it, in the present case the marks THOMSON LIFE and LIFE will necessarily be confusingly similar in another factual context. As indicated above, it is for the referring court to apply the principles laid down by the Court of Justice in its case-law on the Trade Marks Directive and determine whether, on the facts before it, those two marks are confusingly similar.

38. That court must accordingly determine whether the two marks are sufficiently similar to give rise to a likelihood of confusion taking into account the various factors identified by the Court, namely the degree of similarity of the goods or services on the one hand and of the marks on the other and the extent to which the earlier mark is distinctive.

39. With regard in particular to the question whether a composite mark and a sign consisting of one element thereof are sufficiently similar to give rise to a likelihood of confusion, the national court's assessment must be based on the overall impression given by each mark, bearing in mind, in

particular, their distinctive and dominant components, the nature of the public concerned, the category of goods or services in question and the circumstances in which they are marketed. In the context of the present case considered in the light of those principles, I would simply note that the word 'LIFE' does not appear at first sight to be particularly dominant or distinctive in the composite mark at issue, but I stress that a finding on that point is for the national court.

40. Finally, I would mention the concern expressed by the referring court in the present case that it is regarded as unfair that a third party can usurp an earlier sign by adding a company name. It seems clear that such concerns are properly addressed not in the framework of trade mark law but in the context of national laws on unfair competition. The sixth recital in the preamble to the directive states that it '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'.

Conclusion

41. I am accordingly of the view that the question referred by the Oberlandesgericht, Düsseldorf, should be answered as follows:

In determining whether a composite word or word/figurative sign comprising a company name followed by an earlier mark which consists of a single word with 'normal distinctiveness' and which, although it does not shape or mould the overall impression conveyed by the composite sign, has an independent distinctive role therein is sufficiently similar to the earlier mark to give rise to a likelihood of confusion on the part of the public within the meaning of Article 5(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, a national court must base its assessment on the overall impression given by each mark, bearing in mind, in particular, their distinctive and dominant components, the nature of the public concerned, the category of goods or services in question and the circumstances in which they are marketed.