

'SO... ?' held to be a hindrance to figurative 'SO'BiO étic'
European Union - NJORD

Examination/opposition
Confusion

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In *Groupe Léa Nature SA v EU Intellectual Property Office (EUIPO)* (Case T-341/13, June 8 2017), the EU General Court (Sixth Chamber) held that the EUIPO Board of Appeal had correctly assessed that there was a likelihood of confusion between the marks at issue with regard to the goods which were identical or similar under Article 8(1)(b) of Regulation 207/2009. Consequently, there was a "risk of tarnishment" of the image associated with the earlier mark which was registered in respect of cosmetic products for the purposes of Article 8(5) of Regulation 207/2009.

The dispute stems from 2008 when the applicant, Groupe Léa Nature, applied to register the following EU figurative mark for a broad list of goods in Classes 3 and 25:



The goods in Class 3 comprised both cleaning products and cosmetics products. Debonair Trading Internacional Lda filed a notice of opposition based on an EU trademark registration for the word mark SO... ? registered in Class 3 from 2001 and on a UK national registration for the word mark SO... ? registered in Class 25 from 2008. The EUIPO Opposition Division (then the Office for Harmonisation in the Internal Market (OHIM)) rejected the opposition in its entirety.

Debonair appealed to the EUIPO Boards of Appeal. The First Board of Appeal annulled the Opposition Division's decision and rejected the trademark application. The board found, first, that the goods covered by the applied-for mark and the goods covered by the earlier marks were similar or identical (with the exception of the "bleaching preparations and other substances for laundry use" in Class 3); and second, that the signs at issue were highly similar visually, on account of the presence of the common and dominant element 'so', and that they were phonetically similar to a certain extent. Consequently, the board found that there was a likelihood of confusion between the signs at issue with regard to the goods which were identical and similar. As regards the non-similar goods, namely "bleaching preparations and other substances for laundry use", the board found that there was a risk that the sale of those goods would be detrimental to the repute of the earlier marks for the purposes of Article 8(5) of Regulation 207/2009 (concerning extended protection of well-known marks).

The applicant, Groupe Léa Nature, appealed to the EU General Court for annulment of the contested decision of the First Board of Appeal. This was the first appeal to the EU General Court in this case. The court rendered its decision (*Groupe Léa Nature v OHIM (SO'BiO étic)* (Case T-341/13)), and annulled the decision of the EUIPO board of appeal. The court held that in spite of their phonetic similarity, the signs at issue were not similar. That finding led the court to hold that the cumulative conditions for the application of Article 8(5) of the EU Trademark Regulation concerning well-known marks were not fulfilled.

Debonair then appealed to the European Court of Justice (ECJ) claiming that various errors had been made in assessing the visual impact of the common element 'so'. The EUIPO, by its cross-appeal, also sought the setting aside of the first judgment of the EU General Court, alleging that the court had failed to state reasons for that judgment with regard to the distinctiveness of the element 'so', and therefore infringed Article 8(5) of Regulation 207/2009.

In *Debonair Trading Internacional v EUIPO* (Case C-537/14 P), the ECJ set aside the first judgment of the EU General Court, referring the case back to that court. It held that the EU General Court's statement of reasons in the first judgment was contradictory in expressing its views concerning the earlier rights. First, the EU General Court had stated that the only common element 'so' in those marks had a laudatory function. In contrast, it stated that laudatory function existed when the element 'so' was accompanied by another word. Second, the ECJ held that such a contradiction in the reasoning amounted to a failure to state reasons. Thus, it was unable to ascertain whether the word element 'so' had a laudatory function only when it was used with another word or also when it was used on its own.

On remand, the case was assigned to the Sixth Chamber of the EU General Court. The applicant, Groupe Léa Nature, claimed that the board of appeal had erred in finding that the signs were similar on the grounds that 'so' was the dominant element. The EUIPO claimed that the EU General Court must reconcile the contradiction that the element 'so' may have various meanings and cannot be regarded as having a laudatory function in relation to the goods at issue and; moreover, regardless of whether the common element 'so' was the dominant element, those signs were similar on account of inherent distinctiveness of that element and its position at the beginning of the signs. The opponent, Debonair, intervened and claimed that the EU General Court had erred in finding that the element 'so' had only weak inherent distinctiveness in relation to the goods in question by reason of its alleged laudatory function.

This second time around, the EU General Court confirmed the board of appeal's assessment that there was a likelihood of confusion between the marks at issue with regard to the goods which were identical or similar. The court held that the punctuation used in the opponent's mark SO. . . ? was unimportant and the mark effectively was SO, which was distinctive in relation to the goods. The marks were similar because this element was the first in the applicant's figurative mark. The other elements of the applicant's mark were weak and descriptive. Accordingly, the board of appeal had not erred in finding similarity of the marks. Finally, the court confirmed that the board of appeal had not erred in finding that the earlier marks had a reputation in a substantial part of the European Union, and that there would be a "risk of tarnishment" of the image associated with the earlier mark – which was registered in respect of cosmetic products – if the applied for mark was used for cleaning products. Therefore, the court upheld the claim concerning infringement of protection due to well-known marks under Article 8(5) of the EU Trademark Regulation.

Comment

This case is interesting for several reasons. First, because the opponent lost, then won, then lost and has now won, it shows the unpredictability of the EU trademark appellate system. For the same reason, the case confirms the two lines of case law concerning relatively common and somewhat weak mark elements versus the mark-as-a-whole analysis; the former wins. It will be interesting to see whether the applicant appeals to the ECJ.

Peter Gustav Olson, NJORD Law Firm, Copenhagen

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