

Case comment

Questions of Translation and Dilution –the CJEU rules on Similarity between GOLDEN BALLS and BALLON D’OR

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

Case: Golden Balls v Intra-Press—OHIM C-581/13P and C-582/13P (CJEU)
Golden Balls v OHIM— Intra-Press T-448/11, T-437/11 (General Court)

Introduction

On 20th November, the CJEU released its judgment on the joined cases Golden Balls v Intra-Press C-581/13P and C-582/13P. These cases have been a seven years’ long saga. The dispute went through Opposition Division of OHIM, the First Board of Appeal of OHIM, the General Court of the EU and finally reached the CJEU. Both parties won some battles in the process. The CJEU’s ruling only partly ended the war.

The legal landscape

Because the two applications for the registration of the mark Golden Balls were filed in 2007, the case was governed by Regulation No 40/94 on the Community Trade Mark, which from 13 April 2009 onwards has been replaced by Regulation No 207/2009. Specifically the case was concerned with aspects of two articles from Regulation No 40/94 which are detailed below:

Article 8(1)(b) of Regulation No 40/94 provided:

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

...

(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.”

4 Article 8(5) of that regulation provided:

“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 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.”

Factual summary

The dispute between Golden Balls and Intra-Pressé has been a long-running saga. In 2002 a British couple Gus and Inez Bodurs set up Golden Balls Ltd, a small company which makes T-shirts and boxer shorts. In 2007 the company filed two applications for the registration of the word mark “GOLDEN BALLS” as a CTM. The two applications covered the products and services in six classes altogether and gave rise to the judgment in Case T-448/11 and Case T-437/11 respectively. The dispute started in 2008 when Intra-Pressé filed oppositions to both applications based on its registration in 2006 of the CTM “BALLON D’OR”, the French for golden ball. BALLON D’OR is well known as the name of the European Footballer of the Year Award organized by Intra-Pressé. The products and services covered by BALLON D’OR and those by GOLDEN BALLS are partly identical, partly similar and partly dissimilar, as agreed by both parties.

There are two issues at the centre of the dispute. First, for the part of the registration concerning identical and similar goods and services, are the two marks, GOLDEN BALLS and BALLON D’OR, similar enough to give rise to confusion required by Article 8(1) (b)? Second, for the part of the registration concerning dissimilar goods and services, are the two signs at issue similar as required in Article 8(5) considering the reputation that BALLON D’OR has acquired?

The General Court ruled in favor of Golden Balls. Intra-Pressé appealed to the CJEU.

Key findings

In the appeal to the CJEU, Intra-Pressé relied on three grounds. The first one was that the General Court distorted the fact about the language competence of the relevant public. The second ground was infringement of Article 8(1)(b) and consisted of three parts. The third ground was infringement of Article 8(5).

For the convenience of discussion, the CJEU's ruling will be broken down as follows. Because the first plea and the first two parts of the second plea all relate to the topic of the assessment of conceptual similarity between the two signs at issue from the relevant public's point of view, the CJEU's findings in these respects will be discussed together first. The second part of the discussion is about the CJEU's findings on the distinctiveness of the earlier mark in relation to the assessment of consumer confusion, which was the third part of the second plea of Intra-Pressé. The third part of the discussion is CJEU's ruling about assessment of similarity between the signs for trade mark dilution, which was based on Intra-Pressé's third plea.

Conceptual Similarity and the relevant public

The "average consumer" is the yardstick for trade mark law. The essential characteristics of the average consumer are reasonably well-informed and reasonably observant and circumspect as established since *Gut Springenheide*¹. In this case, CJEU's ruling in this respect does not really add anything new to law. However, the combination of both the General Court and CJEU's rulings does present an interesting exercise of constructing the qualities of the average consumer when assessing the conceptual similarity between two signs that are in two different languages.

Intra-Pressé made three claims in relation to the features of the average consumer. The first was that the General Court distorted the company's position concerning the average francophone consumer's level of knowledge of the English language. The second was that the General Court effectively reduced the relevant public, which was the general public in the European Union with a sufficient understanding of both French and English, into the average francophone consumer. The third claim was that the General Court made the intellectual process of translation by the relevant public an additional condition for assessing the conceptual similarity. The first claim was Intra-Pressé's first plea and the second and the third claims were the first and second part of the second plea about the infringement of Article 8(1)(b) respectively. All three claims relate to the assessment of conceptual similarity through the perception of the average consumer.

The General Court affirmed the Board of Appeal's finding that the relevant public in this case was composed of average consumers in the European Union, reasonably well-informed and reasonably observant and circumspect. For the purposes of assessing the conceptual similarity between the signs in question, the General Court highlighted the average anglophone and francophone public

¹ [1998] E.C.R. I-46577 (CJEU).

among the relevant public. The General Court acknowledged that there is a linguistic difference between the signs because BALLON D'OR is in the French language whereas GOLDEN BALLS is in English. The General Court stated while the linguistic difference between the two signs is not sufficient to exclude the existence of conceptual similarity, it requires prior translation by the relevant public and is capable of preventing the relevant public, at least to some degree, from making an immediate conceptual comparison. The General Court stated that the factors that affect such capability of making conceptual comparisons are, inter alia, the linguistic knowledge of the relevant public, the degree of relationship between the languages concerned and the actual words used by the signs at issue.

In relation to the linguistic knowledge of the relevant public, The General Court made two statements. The first is that the relevant public, namely the general public in the European Union, in particular the francophone public which understands the French expression "ballon d'or", will not necessarily understand immediately the meaning of the sign applied for, comprising the words "golden" and "balls". The second is that because "as parties agreed" the average consumer including the average francophone consumer has a weak understanding of the English language, he will not understand immediately the specific combination of "golden balls" as an English translation of the French expression "ballon d'or", even assuming that the consumer understands the words "golden" and "ball".

The General Court analysed how linguistic differences between the signs at issue were capable of preventing the relevant public from making an immediate conceptual comparison. The facts that the General Court took into consideration are first, the use of the plural distinguishes the sign "GOLDEN BALLS" from the earlier sign "BALLON D'OR". Since this is a fairly basic grammatical point, and especially the plural of words is formed in the same way in English as in French, the General Court stated that such difference would not go unnoticed by the relevant public. The second fact is that the difference in the respective positions of the words "golden" and "d'or": the former is at the beginning of the sign and the latter is at the end. The third fact is that the origins of the two words are clearly different. The General Court concluded that all these differences render the immediate discovery of the similar hidden meaning of the signs at issue more difficult, both for the francophone consumer and for the anglophone consumer with an average level of attention.

The General Court added that, in any event, it appeared improbable that the result of such an analysis of the translation would spontaneously enter the head of the average consumer concerned, contemplating a simple purchase of everyday consumer goods. It concluded that those signs have, at most, a weak or even very weak degree of conceptual similarity for the reasonably informed and observant relevant public, in particular the francophone public.

Intra-Pressé failed in its first claim that General Court distorted the facts in concluding that "the parties agree[d]" that the average consumer, including the average francophone consumer, generally has a weak understanding of the

English language. The CJEU stated that for a distortion of facts to be considered in appeal, such distortion has to be obvious. The CJEU ruled that in the present case there is no obvious distortion.

Intra-Pressé failed in its second claim that the General Court reduced the relevant public, which is the general public in the European Union with a sufficient understanding of both French and English, into the average francophone consumer. CJEU observed that this claim was based on a manifest misunderstanding of the General Court's judgment. After pointing out where the General Court had taken into consideration all the components of the general public, the CJEU stated that the General Court is not required to provide an account that follows exhaustively and one by one all the arguments articulated by the parties to the case.

Intra-Pressé also failed in its third claim that the General Court made the intellectual process of translation by the relevant public an additional condition for assessing the conceptual similarity. The CJEU ruled that Intra-Pressé was attempting to make the Court re-examine the appraisal of the facts made by the General Court. In other words the CJEU indicated that this claim is outside the purview of the appeal. Citing the relevant case law, the CJEU restated that findings relating to the characteristics of the relevant public and to its degree of attention, perception or attitude represent appraisals of fact² and that the same is true as regards the relevant public's understanding of the meanings of different languages.³

The Board of Appeal concluded that conceptually the two signs at issue were identical or, "at the least", extremely similar based on an obvious fact that the two signs have the same or similar meaning albeit in two different languages. The General Court overruled the Board of Appeal's decision and reached a completely different one. The CJEU did not contest the General Court's approach in the assessment of conceptual similarity.

Therefore the current case serves as a reminder for the future that although two signs that are in two different languages may have the same or similar meaning, there is no assumption of conceptual similarity between them. The existence of conceptual similarity still has to be assessed from the point of view of average consumers and the result depends on their perception of the respective conceptual components of the two signs. Their perception will be affected by factors such as their competence in the relevant foreign language. In addition the linguistic difference between the different languages can prevent the average consumer from making the conceptual comparison and consequently influence the result of the assessment.

² The CJEU referred to inter alia, the order in *Shah v Three-N-Products Private*, C-14/12 P, EU:C:2013:349, paragraph 28 and the case-law cited.

³ The CJEU referred to the order in *adp Gauselmann v OHIM*, C-532/10 P, EU:C:2011:433, paragraph 51.

The distinctiveness of the earlier mark for the likelihood of confusion

Intra-Pressé claimed the General Court failed to take into consideration, for the purposes of assessing the likelihood of confusion between the marks at issue, the distinctiveness of the earlier mark BALLON D'OR in relation to the services in Class 41 of the Nice Agreement and, in particular, in relation to "a sports competition". The CJEU stated that Intra-Pressé's argument was based on a manifestly incorrect reading of the General Court's judgment. The CJEU specified that the General Court did not specifically hold that the mark BALLON D'OR was devoid of distinctive character as regards the services at issue. It nevertheless clearly stated in the circumstances that such distinctive character would not, in any event, affect the overall assessment of the likelihood of confusion on the part of the target public.

In its judgment the General Court stated that the very weak conceptual similarity of the signs at issue was not enough to offset their visual and phonetic dissimilarities. It further stated that even if the mark BALLON D'OR enjoyed a highly distinctive character and account was taken of the fact that the goods and services in question are identical or similar, the very weak conceptual similarity could not, in the circumstances of the case, be sufficient in itself to create a likelihood of confusion on the part of the target public.

Global appreciation has been the established test for overall assessment of the likelihood of confusion. The essential elements in this test are similarity of the signs and similarity of the products/services. The distinctiveness of the earlier mark will be taken into consideration. There is an offset effect between the similarity of the signs and similarity of the products/services. The lower degree of similarity of the signs will be offset by the higher degree similarity of the products/services, and vice versa. The similarity of the signs will be assessed from the visual, phonetic and conceptual aspects. There is also an offset effect between these three aspects.⁴

The General Court appeared to have exercised this test strictly and its judgment was not contested by the CJEU. Nevertheless, the judgment might have still created something new when it pointed out that despite the high degree of similarity or identity between the products/services and high distinctiveness of the earlier mark, the likelihood of confusion still did not exist because of weak similarity between the signs. In doing so, did the judgment indicate that there is a threshold requiring the degree of similarity (either between the signs or between the products/services) and the offset effect which will only be exercised after such a threshold has been met?

Similarity between the signs in the context of dilution

⁴ For a good summary of the relevant findings in case law, see Geoffrey Hobbs QC sitting as the Appointed Person in *La Chemise Lacoste SA v. Baker Street Clothing Ltd* [2011] RPC 5.

Intra-Pressé's third plea is that the General Court infringed Article 8(5) of Regulation No 40/94, which is unofficially but commonly referred to as the dilution provision. The first part of the plea was that the General Court wrongly inferred from the lack of similarity between the signs at issue for the purposes of Article 8(1)(b) that there was a lack of similarity for the purposes of Article 8(5). The second part was that the General Court should also have evaluated the application of Article 8(5) in respect of the similar or identical goods in relation to which it had held that there was no likelihood of confusion. The CJEU considered the first part of the plea.

The CJEU stated that the existence of a likelihood of confusion is not necessary for the protection conferred by Article 8(5). Accordingly, the types of injury referred to in Article 8(5) may be the consequence of a lesser degree of similarity between the earlier and the later marks, and such degree of similarity is only required to be sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them.⁵

The CJEU stated that article 8(5) was manifestly inapplicable where the General Court ruled out any similarity between the marks at issue. The CJEU ruled that the General Court must carry out an overall assessment to ascertain, taking account of the relevant factors such as the reputation or recognition enjoyed by the earlier mark, whether there exists a likelihood of confusion or a link made between those marks by the relevant public, no matter how faint the similarity between the marks. In the present case, because the General Court found that there was weak conceptual similarity between the two signs at issue, the CJEU stated the General Court was wrong to rule out the application of Article 8(5) of Regulation No 40/94 without first undertaking an overall assessment of the marks at issue.

The CJEU upheld Intra-Pressé's third plea. It set aside the General Court's judgments to the extent that they dismissed Intra-Pressé's two applications for annulment. The CJEU also ruled that the Board of Appeal of OHIM failed to fulfill its obligation to "carry out a new, full examination of the merits of the opposition, in terms both of law and of fact"⁶ because the Board of Appeal did not consider Intra-Pressé's plea on Article 8(5). The CJEU thus annulled the Board of Appeal's decisions to the extent that they dismissed Intra-Pressé's appeals in relation to dissimilar goods. The dispute is now referred back to OHIM for further consideration in light of the guidelines that the CJEU set.

The CJEU's ruling on this matter merely restated the findings of the previous case law⁷ that the threshold of similarity required in the context of dilution is different from that in the context of likelihood of confusion. The ruling again does not make a new contribution to the matter of law but it does announce that

⁵ The CJEU referred to the judgment in *Ferrero v OHIM*, C-552/09 P, EU:C:2011:177, paragraph 53 and the case-law cited.

⁶ Article 62(1) of Regulation No 40/94, cited by the CJEU.

⁷ *Ibid* Footnote 5.

the seven year's war between GOLDEN BALLS and BALLON D'OR is not over. If OHIM concludes that the relevant public makes a link between the two marks, it will need to assess whether there exists any type of injury required by Article 8(5), i.e., unfair advantage, blurring or tarnishment, which would probably be in favour of GOLDEN BALLS.

Comments and conclusion

The present case does not expose any genuine loophole, neither in statute nor in case law. Accordingly the CJEU's ruling does not create anything new but rather exercises what has already been established in the case law, in particular the global appreciation test for the assessment of likelihood of confusion. To a degree, the CJEU's ruling proves the global appreciation test is logically sound and comprehensive and through the previous case law all the relevant factors in the test have been clearly specified. However, it still took the present case seven years to reach the final conclusion regarding the correct application of this test. The Opposition Board, Board of Appeal and General Court all reached different conclusions when applying this test. The General Court's judgment in this respect, although finally affirmed by CJEU, was challenged by Intra-Press. This shows that the test is not easy to apply and the result of its assessment is not easy to predict. There have been empirical studies that endeavor to find out the driving factors in determining the result of this test.⁸ Some effort has also been made to assess the likelihood of confusion through neuroscience studies. Perhaps there could be a black letter law approach to improve the efficiency of the assessment of likelihood of confusion?

Having said that, something useful and practical does come out of the present case. In the linguistically diversified European and global markets, it will be common to see conflict between two marks that are in two different languages but have the same or similar meaning. The General Court's judgment on the assessment of conceptual similarity between the two signs at issue through the perception of the average consumer, which was affirmed by CJEU, has set a useful precedent for the future.

⁸ See B. Beebe, "An Empirical Study of the Multifactor Tests for Trademark Infringement 2006 California Law Review" (2006) California Law Review 94(6), 1581. This study is conducted in the context of American trade mark law. I. S.Fhima and D Gangjee recreated Beebe's analysis in the EU context. Information is based on I. S.Fhima's talk at Bournemouth University on 3 April 2014.