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MERCATOR opposition refused for the second time

Examination/opposition

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In *Poslovni Sistem Mercator dd v Tabacofina-Vander Elst NV* (Case 31207-347/2002-16, April 23 2007), a case on remand from the Administrative Court, the Slovenian Intellectual Property Office (SIPO) has dismissed the opposition to the registration of the trademark MERCATOR in Class 34 of the **Nice Classification**, despite the fact that the Administrative Court had set aside its earlier decision to dismiss the opposition.

In 2002 Tabacofina-Vander Elst NV (Tabacofina), a Belgian company, filed an application with SIPO to register MERCATOR as a label mark for, among other things, cigars, cigarettes and various other tobacco products in Class 34. The mark comprised the word '*Mercator*' (meaning 'merchant' in Latin) on a patterned background and a small picture of a bearded man.

Poslovni Sistem Mercator dd (PSM), the company behind the Mercator chain of supermarkets in Slovenia, opposed the application based on several earlier MERCATOR registrations, particularly the trademark MERCATOR and M device for, among other things, cigarettes and tobacco products in Class 34. All PSM's marks included additional graphical elements and the majority of them featured a stylized letter 'M'. PSM claimed that Tabacofina's mark was confusingly similar to its MERCATOR marks because the dominant part of both parties' marks was the word '*Mercator*'. It also argued that its MERCATOR marks are well known in Slovenia because the Mercator chain of stores is the largest in that country. It submitted survey evidence to back up that claim.

In January 2004 SIPO refused the opposition for the first time, explaining that although the main textual part of the two parties' trademarks, the word '*Mercator*', is identical, there are significant graphical differences and consequently conceptual differences between these trademarks, which serve to eliminate the likelihood of confusion (see **SIPO not sold on MERCATOR opposition**).

PSM challenged SIPO's decision and in December 2005 the Administrative Court set the ruling aside and remitted the case back for a renewed procedure on the following grounds:

- The court agreed with SIPO that the contested trademark is visually different from earlier trademarks but phonetically similar. However, the court, contrary to SIPO, held that the trademarks are conceptually similar.
- The court further reasoned that SIPO had failed to explain sufficiently how consumers will be able to distinguish between the contested trademark and the earlier marks in the light of obvious similarities. So the case had to be remitted back to SIPO for renewed procedure.

It should be noted that the Administrative Court never decides on the merits of the case. If the Administrative Court finds there to be something substantially wrong with a SIPO decision, it will always remit the case back to SIPO for renewed procedure on the basis that SIPO has failed to justify sufficiently its decision.

SIPO has now issued a second decision refusing the opposition, reasoning as follows:

- The goods covered by the contested trademark are identical to goods covered by the earlier trademarks.
- The contested trademark is visually dissimilar from the earlier trademarks because it is comprised of additional graphical elements, which differ significantly from those in the earlier trademarks.
- Phonetically, the trademarks are almost identical because it is not likely that the consumer would spell out the additional stylized letter M that is present in the earlier trademarks.
- The contested trademark, as well as the earlier marks, contain the word '*Mercator*', which in Latin means 'a merchant', so this word cannot be regarded as particularly fanciful or distinctive in relation to any goods. The graphical differences produce a dissimilar meaning for each trademark: the earlier trademarks, with their contemporary design, convey the meaning of a large modern retail store, whereas the contested trademark features a design of a bearded man that would be perceived as a historical drawing of a merchant.
- The nature of the goods would also prevent confusion because consumers of tobacco products are very attentive to even the smallest differences in the appearance of such products.
- PSM successfully proved that its trademark MERCATOR is a well known trademark in Slovenia. However, Slovenian consumers are also very familiar with the graphical

elements of this trademark, and these differ significantly from the appearance of the contested trademark eliminating the likelihood of confusion.

In its decision, SIPO has departed from the opinion given by the Administrative Court, particularly concerning conceptual similarities, so it will be interesting to see what the Administrative Court says should PSM decide to challenge SIPO's latest ruling.

Gregor Maček, ITEM doo, Ljubljana

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