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Stricter standard of similarity applies to identical goods, says court

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The Administrative Court has set aside a decision of the **Slovenian Intellectual Property Office** (SIPO) and remitted the case to SIPO for further determination (Case U 1557/2006-17, February 29 2008).

On April 4 2005 Slovenian company **Fidimed doo** applied for the registration of the trademark CENTRAMED for goods in Class 5 of the **Nice Classification** (pharmaceutical products). US pharmaceutical company **Wyeth** opposed the application based on its earlier registered CENTRUM marks for various goods in Class 5, including pharmaceutical products. Wyeth argued that the contested trademark:

- is confusingly similar to its earlier trademarks under Article 44(1)(b) of the **Industrial Property Act**; and
- takes unfair advantage of, and is detrimental to, the distinctive character and reputation of its earlier trademarks under Article 44(1)(c).

Article 44 reads as follows:

"(1) Further, a sign shall not be eligible for registration as a mark if:

[...]

(b) because of its identity with or similarity to the earlier mark of another owner, and the identity or similarity of the goods or services covered by the sign and the mark, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier mark;

(c) because of its identity with or similarity to the earlier mark of another owner registered for goods or services which are not identical with or similar to the goods or services for which registration has been

applied for, the use without due cause of such sign would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier mark, or if it would indicate a connection between the goods or services and the owner of the earlier mark, and provided that the interests of the owner of the earlier mark are likely to be damaged by such use."

On June 8 2006 SIPO rejected the opposition and registered the trademark CENTRAMED. SIPO held that the trademarks were not confusingly similar under Article 44(1)(b) and refused to apply the stricter standard of similarity under Article 44(1)(c), which applies to trademarks with a reputation. According to SIPO, Article 44(1)(c) applies only to goods that are not identical or similar and, in the present case, the goods were identical. SIPO held that although the trademarks CENTRAMED and CENTRUM share five common letters, the second part of the trademarks is sufficiently different to prevent confusion. According to SIPO, CENTRUM will be recognized by consumers as a word of Latin origin, whereas CENTRAMED will sound more Slovenian, even though it has no particular meaning. Therefore, SIPO concluded that consumers would make no conceptual association between the trademarks. In addition, the fact that the goods in question are sold only in pharmacies or by prescription further reduced the likelihood of confusion.

Wyeth challenged SIPO's decision before the Administrative Court. Wyeth alleged, among other things, that SIPO had wrongly placed too much importance on the second part of the trademarks, as consumers are usually more attentive to the first part of a mark. Wyeth argued that there was a likelihood of confusion between the marks because:

- the trademarks are pronounced in a similar manner;
- they are visually similar; and
- consumers will associate the marks with the concept of 'centre'.

Wyeth also argued that SIPO had erred in refusing to apply Article 44(1)(c) in this case, citing the decision of the European Court of Justice (ECJ) in **Davidoff** (C-292/00, January 9 2003).

The Administrative Court set aside SIPO's decision and remitted the case to SIPO for further determination. The court rejected SIPO's finding that the trademarks are not similar and agreed with Wyeth that the beginning of a trademark is more important than its ending in the mind of consumers. The court also held that due to a recent change in the legislation on trade in pharmaceuticals, SIPO had wrongly assumed that pharmaceuticals could be sold

only through special trade channels (pharmacies or doctors); pharmaceutical products may now be sold in regular (even self-service) stores and on the Internet.

Finally, the court held that SIPO had erred in refusing to apply the stricter standard of similarity under Article 44(1)(c), even though this provision, in its literal meaning, applies only to cases where the goods are not similar. The court adopted a broader interpretation of Article 44(1)(c) and instructed SIPO to apply the stricter standard of similarity to cases in which the conflicting trademarks cover identical or similar goods.

This decision will change SIPO's practice significantly. So far SIPO had refused to apply the stricter standard of similarity to cases involving similar or identical goods, even though the ECJ's decision in *Davidoff* has been cited frequently in opposition proceedings.

Gregor Macek, ITEM doo, Ljubljana

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