



Comments of **MARQUES** Amicus Curiae Committee made to interested parties

*In the matter of the Appeal to the Court of Justice of the European Union ("CJEU")
in Case C-198/11 P*

brought on 28 April 2011 by Lan Airlines S.A. against the judgment of the General Court (Fourth Chamber) delivered on 8 February 2011 ("the Judgment") in Case T-194/09 Lan Airlines S.A. v OHIM and Air Nostrum, Lineas Aereas del Mediterraneo, S.A.

1. Status of these comments

- 1.1 **MARQUES**, the European Association of Trade Mark Owners ("**MARQUES**"), through its *Amicus Curiae* team, respectfully submits these comments to Interested Parties ultimately for the consideration of the CJEU to assist it in answering the matters contained in the appeal.
- 1.2 While the deadline for written observations has passed in this Case, we invite you, as an Interested Party, either to quote these comments in such oral submissions as you plan to make in this matter or, otherwise, to incorporate them within your own oral submissions and, as you consider appropriate, expand on any of points we make here. Our wish is to have the views of **MARQUES** members brought to the attention of the CJEU, as well as those in a position to effect any desirable legislative amendments.
- 1.3 **MARQUES** does not seek to make a formal intervention in the matter, but would be prepared to attend by Counsel at the hearing to answer any questions which the CJEU may wish to ask in relation to any of the points made here.
- 1.4 **MARQUES** does not seek any contribution to its costs in relation to these comments and assumes that the provision of these comments will not involve any of the parties in additional costs. **MARQUES** believes it is in the public interest for third parties interested in a matter which has an impact beyond the dispute between the parties to be able to contribute to the debate. **MARQUES** hopes that these comments will be seen in that light and will be of assistance to the CJEU in coming to its decision.

2. About **MARQUES**

- 2.1 **MARQUES** is a European association of pan-industry brand owners worldwide. Established in 1986 and later incorporated in the United Kingdom as a not for profit company limited by guarantee, **MARQUES** unites Europe's and International brand owners across all product sectors to address issues associated with use, protection and value of intellectual property rights as these are vital to innovation, growth and job creation, which ultimately enhance internal markets. Its membership includes brand owners and IP professionals in more than 80 countries. **MARQUES** is at the forefront of all those institutional and policy-making processes that lead to reform of IP legislation and practice.

- 2.2 **MARQUES** is an accredited organization before the OHIM – Office for Harmonization in the Internal Market, appointed observer at the OHIM’s ABBC – the Administrative Board and Budget Committee, an official non-governmental observer at WIPO - World Intellectual Property Organization and a registered interest representative organization (ID number 97131823590-44) in the “Transparency register” set up by the European Parliament and the Commission, which extends and replaces the former “Register of interest representatives” opened by the Commission in 2008.
- 2.3 **MARQUES** is managed by an elected Council with an Executive committed to top level strategy and decision making processes of the Association and an External Relations Committee appointed to monitor trade mark issues affecting brand owners, identifying issues of concerns and addressing responsive action. In this frame, **MARQUES** has also established an *Amicus Curiae* team. It has a brief to intervene in or comment upon legal proceedings where deemed appropriate and where permissible on behalf of the organization in cases considered to involve important trade mark issues likely to have a significant impact on trade mark owners and the public. In doing so, **MARQUES** adopts a position of neutrality with respect to the case and the parties. It wishes to address general principles and certain specific points of law and does so on behalf of the constituency of trade mark owners it represents. The *Amicus Curiae* team has prepared these comments which have been approved by the Chair of the **MARQUES** Council.
- 2.4 With these objectives in mind, and in the context of Council Regulation 207/2009/EC of 26 February 2009 on the Community trade mark ("the CTMR"), **MARQUES** is keen to see clarity and consistency of approach in how tribunals and trade mark registries throughout the European Community ("EC") interpret provisions concerning the perception of EC consumers, including regarding a likelihood of confusion among such consumers.

3. The content of the appeal concerning the relevant public

- 3.1 The Appellant Lan Airlines S.A. ("the Appellant") seeks a new order from the CJEU and argues that there was an error in the General Court's interpretation of Article 8(1)(b) of Regulation No 40/941 (now CTMR), including as follows:

The appellant submits that the General Court did not take into account the relevant elements of the case (essentially the particular features of the sector, the nature of the Community trade mark application and the criterion of the perception of the relevant consumer) when it evaluated the actual effect of the 'LAM' element, incorporated in the contested trade mark application, on the average Spanish consumer's perception of the mark.

4. The issue of the relevant public and **MARQUES invited answer**

- 4.1 **MARQUES** comments are restricted to the issue of who is the "relevant public" in this case: should this be the average European Union consumer, or rather the average Spanish consumer?
- 4.2 As addressed at paragraphs 18 - 23 of the General Court Judgment, the Appellant challenged the Board of Appeal’s finding that ‘the relevant perception in this case is that of the public of

the European Community. The Appellant submitted that the Board of Appeal should have taken into consideration only the perception of the Spanish consumer. It asserts that a likelihood of confusion need exist only in Spanish territory for registration of the mark applied for to be refused.

4.3 Article 8(1)(b) CTMR states that (emphasis added):

1. 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.

4.4 Therefore whether there is a likelihood of confusion must be assessed in the light of the "public in the territory in which the earlier mark is protected". In the Appeal the earlier trade mark is a Community Trade Mark ("CTM"). Therefore it is submitted that the relevant public must not be determined by reference to Member States but by reference to the EC as the territory of protection - however, in a way that it must only be likely that at least a "substantial part" of it may be confused. As a result, the likelihood of confusion should be assessed by reference to whether there is a likelihood of confusion among the EC public concerned by the goods or services covered by that CTM in a substantial part of the EC. As discussed below, the CJEU may then decide that the public even of a single small Member State may form a "substantial part" of the EC.

4.5 **MARQUES** view is in accordance with that upheld by the General Court and it respectfully submits that the CJEU should dismiss any argument by the Appellant that the relevant public is restricted to only the Spanish public.

5. Authorities and implications

5.1 In the *PAGO* case¹, the CJEU addressed the question of the geographical extent of reputation a CTM requires in order to have "a reputation" in the EC under Article 9(1)(c) of the CTMR. The CJEU concluded that the CTM must be known by "a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the EC". Further, Austria was considered a substantial part of the EC.

5.2. Although *Pago* concerned Article 9(1)(c) CTMR, as the CTM system is a unitary system **MARQUES** submits that the CJEU's conclusion should apply equally to Article 8(1)(b). Similarly to in *PAGO*, **MARQUES** notes that it is open to the CJEU to hold that a relevant likelihood of confusion on the part of the public of one Member State may be sufficient, on the

¹ *PAGO International GmbH v Tirolmilch registrierte Genossenschaft mbH* (Case C-301/07). In the pending *Leno Merken v Hagelkruis Beheer B.V.* (Case C-149/11) case the CJEU will address the question of the geographical extent of use of a CTM sufficient to constitute genuine use of the CTM in the EC.

facts of the proceedings, to constitute confusion on the part of a substantial part of the EC as a whole. Therefore, it is open to the CJEU to conclude that a likelihood of confusion on the part of the Spanish public may be sufficient. However, in the light of the unitary nature of the CTM system, **MARQUES** submits that such factual conclusions should not be reached by reference to the boundaries of Member States, but rather by reference to whether the relevant part of the EC public concerned by the products or services covered by the CTM constitutes numerically and/or geographically a substantial part of the EC as a whole.

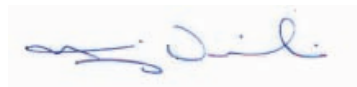
- 5.3 **MARQUES** proposed submission is likely to create anomalies between the CTM and national trade mark systems, particularly for smaller Member States. By contrast to the *Lan* case, in for example *Mundipharma*² the opposition to a CTM on the basis of an earlier *national* trade mark registered in Germany resulted in the "relevant public" being German consumers only. Trade mark owners in small Member States may feel discouraged from filing for CTMs as they may have better chances of successfully opposing later CTM applications on the basis of national trade marks in that Member State where a likelihood of confusion would be assessed by reference to the relevant public in that Member State only.
- 5.4. **MARQUES** acknowledges this possibility, but considers this one of the inevitable anomalies that result from the creation of the CTM system and its co-existence with national trade mark systems in Member States.

6. Request

- 6.1 **MARQUES** requests that you, as an Interested Party, make oral submissions to the CJEU in support of its position on the relevant public as set out in paragraph 4.4 above, whether for the reasons set out here or otherwise.

MARQUES Amicus Curiae Committee

20th December 2011



Nunzia Varricchio
Chair of **MARQUES Council**

² *Mundipharma v OHIM & Altana Pharma AG* (Case T-256/04).