

The Trademark Reporter®



The Law Journal of the International Trademark Association

A Brief History of Honest Concurrent Use in Indian Trademark Law

Lokesh Vyas and Praharsh Gour

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INTERNATIONAL TRADEMARK ASSOCIATION

733 Third Avenue, 19th Floor, Suite 1950, New York, NY 10017
Telephone: +1 (212) 642-1700 email: wknox@inta.org

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The Trademark Reporter®

A BRIEF HISTORY OF HONEST CONCURRENT USE IN INDIAN TRADEMARK LAW*

*By Lokesh Vyas** and Praharsh Gour*** *****

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** Lokesh Vyas is a PhD student at Sciences Po, Paris, and a research analyst for the blog *SpicyIP: De-Coding Intellectual Property Law*, <https://spicyip.com/> (“*SpicyIP*”).

*** Praharsh Gour is an editor and contributor at *SpicyIP*, as well as an independent IP consultant and researcher.

**** This article is based on Lokesh Vyas's *SpicyIP* post titled “Honesty as a Defense vis-à-vis Trademark Infringements: Principle or Provision?” (Feb. 10, 2023) (© Lokesh Vyas, 2023), <https://spicyip.com/2023/02/honesty-as-a-defense-vis-a-vis-trademark-infringements-principle-or-provision.html>, which examined the history of honest concurrent use in trademark law. While this article expands and refines that discussion—incorporating new sources, sharpening arguments, and making necessary revisions—some elements from the post remain. We have reworked and rephrased most of the claims, though traces of the post may still be present. Thanks to Swaraj Barooah, who helped curate the *SpicyIP* post, and to *The Trademark Reporter* reviewers and editors for their inputs on this article. Any errors that remain are entirely ours. After all, what better reminder of our *humanity* than the little errors we leave behind? Or, as Alexander Pope put it, “To err is human; to forgive, divine.” Alexander Pope, *An Essay on Criticism*, Part II, line 525 (1711).

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ABSTRACT

Can honest concurrent use serve as a defense in trademark infringement cases? History suggests it can and should. The underlying principle of honest “and” concurrent use has long existed in common law’s doctrine of equity, now codified into statutory law as honest concurrent use (“HCU”). Yet, Indian courts remain divided on its nature—whether HCU is merely a statutory provision, or a broader principle underpinning various provisions in trademark law. This article offers a historical contribution to this question. We argue that some recent rulings by Indian courts that have dismissed it as a defense against infringement yielded a misreading of the law. Highlighting its historical origins, we argue that HCU is more than a provision under Section 12 of the Trademark Act 1999. It is a core principle of trademark law founded in the common law. When understood in this light, its relevance extends beyond mere registration (construed mistakenly by some due to the language of Section 12), allowing it to be invoked as a robust defense in infringement suits.

I. INTRODUCTION

India’s Trade Marks Act of 1999¹ contains a peculiar provision with an explicit moral dimension, titled “Registration in the case of *honest* concurrent use, etc.” and codified in Section 12 of the Act. But why call it peculiar? Is it novel or uniquely Indian? Not quite. This is because by allowing more than one person to register and use the same mark, the provision creates an exception to the typical understanding that a trademark is an exclusive right a proprietor holds. Section 12 states:

In the case of honest concurrent use or of other special circumstances which, in the opinion of the Registrar, make it proper to do so, he may permit the registration by more than one proprietor of the trade marks which are identical or similar (whether any such trade mark is already registered or not) in respect of the same or similar goods or services, subject to such conditions and limitations, if any, as the Registrar may think fit to impose.

Simply put, it allows multiple proprietors to register identical or similar trademarks under honest concurrent use or other special conditions. While this legal quirk has been simmering in the background of common-law jurisprudence for decades (if not centuries), shaping legal outcomes, honest concurrent use (“HCU”) gained attention in recent years after being viewed as limited to

¹ Trade Marks Act, No. 47 of 1999.

registration and not as a valid defense in trademark infringement or passing off cases.

For instance, in 2022, the Delhi High Court in *KEI Industries Ltd v. Raman Kwatra* (“*KEI-1*”), held that “Section 12 is essentially a provision which enables the Registrar to permit registration of a mark which is identical or similar to an existing mark in respect of same or similar goods. It does not envisage honest and concurrent user as a defence to an allegation of infringement of a registered trade mark.”² The Court relied on the Supreme Court’s ruling in *Power Control v. Sumeet Machines*,³ a case that addressed honest concurrent use in the context of copyright infringement, ultimately rejecting the claim. This misplaced reliance nevertheless shaped the outcome in *KEI-1*, which was subsequently followed in another case. The Bombay High Court’s decision in *Abdul Virjee v. Regal Footwear*, which echoed *KEI-1*, reaffirmed that HCU could not serve as a defense in trademark infringement cases.⁴ Then came a judicial U-turn in *Raman Kwatra v. KEI Industries* (“*KEI-2*”), in which the Delhi High Court overruled *KEI-1*, marking a notable shift in the legal landscape.⁵

Tellingly, while *KEI-2* overruled *KEI-1*, the issue of HCU was not examined in detail other than to remark: “Section 12 . . . would follow that where special circumstances exist that warrant grant of registration of identical or similar trademarks in respect of similar goods and services, the person claiming entitlement to such registration may also be entitled to resist a restraining order for use of such trademark.”⁶ Furthermore, this was a *prima facie* view, making the observation susceptible to being set aside by a more judicially rigorous decision in future.

Thus, the question remains unresolved as to whether HCU is a valid defense to trademark infringement claims in India. While these cases have been analyzed and commented on,⁷ a historical

² (2022) SCC OnLine (Del.) 1459, p. 24 ¶ 46.

³ (1994) 2 SCC 448.

⁴ MANU/MH/0001/2023. The Bombay High Court in a very recent order dated September 22, 2025, reiterated this interpretation, summing up its finding in one line: “Section 12 of T.M. Act, 1999 cannot constitute a defence in an action for infringement.” See *SML Limited v. Safex Chemicals India Ltd.*, Commercial IP Suit No. 432 of 2025.

⁵ MANU/DE/0066/2023.

⁶ MANU/DE/0066/2023, ¶ 49.

⁷ See, e.g., Eashan Ghosh, *Kwatra v. Kei Industries: Honest Concurrent Use Unvisited, Prosecution History Revisited*, Medium (Jan. 9, 2023), available at <https://medium.com/@EashanGhosh/kwatra-v-kei-honest-concurrent-use-unvisited-prosecution-history-revisited-7fd5e1b9f766> (last visited Sept. 8, 2025); Eashan Ghosh, *Kei Industries v. Kwatra: No Honest Concurrent Use Defence Against Trade Mark Infringement*, Medium (May 19, 2022), available at <https://medium.com/@EashanGhosh/kei-industries-v-kwatra-no-honest-concurrent-use-defence-against-trade-mark-infringement-b924b264178e> (last visited Sept. 8, 2025); see generally P.T. Shrivani, *Defence of Honest Concurrent Use vis-a-vis trademark protection: How much longer will this hold for brand proprietors?*, Medium (Aug. 24, 2017), available at

examination of the principle in the Indian context—crucial to understanding its trajectory—remains absent. Building on the previous work by one of the authors of this article (Lokesh Vyas) and expanding the historical discussion, we argue that it is a foundational principle of trademark law, not merely a provision confined to Section 12.⁸

Our key claim is that HCU operates on two levels in Indian trademark law, as aptly emphasized by Professor Eashan Ghosh.⁹ First, under Section 12 of the Trade Marks Act, 1999, in which the term “honest concurrent use” is explicitly codified, a proprietor can register a mark by proving honest concurrent use despite an existing registration. This requires an affirmative showing by the junior applicant. Second, it serves as a defensive principle in trademark litigations. Developing Ghosh’s idea of HCU’s dual nature, we trace the legislative history of HCU from its common law origins in the 1860s to its formal inclusion in the Trade Marks Act, 1940. In looking at the judicial evolution of HCU in India, we are confronted with diverse ways in which HCU is treated in infringement and passing off cases as a defense in Indian courts.

After setting the context in Part I, the core argument unfolds in the next two sections, followed by a brief conclusion that foregrounds a future research question for other researchers. Part II traces the history of HCU within common law principles since the 1860s, highlighting its legislative evolution. Part III examines judicial engagement with the issue, analyzing how different courts in India have read HCU in trademark infringement and passing off cases. Doing so will help us look behind the conventional understanding that crept its way recently via the orders passed in *KEI-1* and *Abdul Virjee v. Regal Footwear*, limiting the application of HCU for assessing the registrability of a mark.

<https://medium.com/@shravanipt23787/defence-of-honest-concurrent-use-vis-a-vis-trademark-protection-how-much-longer-will-this-hold-for-c43308f8c92d> (last visited Sept. 8, 2025). There are other discussions on these cases from the aspect of whether a party can go back on admissions made at the time of registering a mark when later appearing before a court in a separate infringement suit. See, e.g., Prahars Gour, *Done, so Dusted? Discussing the Relevance of the Responses Filed Against FERs Issued by Trademark Registry*, SpicyIP (Apr. 26, 2023), available at <https://spicyip.com/2023/04/done-so-dusted-discussing-the-relevance-of-the-responses-filed-against-fer-issued-by-trademark-registry.html> (last visited Sept. 8, 2025).

⁸ This was argued by Eashan Ghosh who considered HCU in two forms—one as a specific form under Section 12 and the other under Sections 32 (protection of a mark on account of distinctiveness despite certain irregularities) and 35 (saving clause for marks derived from name, address or description of goods or services). He says that the spirit of HCU is embedded across various provisions of trademark law, not just in those dealing with registration, under Section 12. See Eashan Ghosh, *Imperfect Recollections: The Indian Supreme Court on Trade Mark Law* 253 (2d ed. 2024).

⁹ *Id.*; see also W. Alberts, *Trade Mark Conflicts: Honest Concurrent Use Is Alive and Well*, 83 THRHR 260, 267-69 (May 2020).

Given the intricate nature of this section, our methodology deserves a specific explication. Acknowledging the inconsistency in the approach of the Indian courts, we start by looking at the cases that the Bombay High Court relied on in *Abdul Virjee v. Regal Footwear* to back this point. We opt for this case because while the division bench overruled the Delhi High Court's decision in *KEI-1*, *Abdul Virjee's* interpretation of HCU (limited to registration, disregarding it as a defense) still stands valid. Therefore, the methodology adopted here is to look at the cases cited supporting the unilateral understanding of HCU, assess the overall context in which it was said, and understand the limitations (if any) applicable to the courts there for restricting its interpretation. Once we have clearly established the context in which the courts interpreted the HCU in those cases, we compare it with interpretations of HCU over time to understand whether and how courts have built up their understanding toward a broader interpretation of HCU, which can be read into various provisions of the 1999 Act today. From that, we build our case by looking at how courts may have shifted their understanding of HCU. We have identified least four kinds of cases involving HCU: (1) HCU was not accepted as a defense against infringement allegations; (2) HCU was read along with acquiescence; (3) HCU was cited as a standalone defense, and (4) HCU was read as a broader principle present not only in Section 12 but also in other provision across the Trade Marks Act.

A few disclaimers are in order. Limiting our discussion to HCU in India and its interpretations, we avoid delving into the factual details and broader issues of the cases discussed. With the common law system as the foundation of our discussion cutting across both High Courts and the Supreme Court, a few technical points regarding judicial functioning merit a mention. First, in India, the decisions of the Supreme Court bind all the High Courts,¹⁰ whereas the decisions of the High Court of an Indian State hold only a persuasive value on the courts of other states.¹¹ Within a High Court, the decision on a division bench (consisting of two judges) is binding on the Single Judge Benches,¹² while the composite Single Judge Benches may disagree with the views expressed by other Single Judge Benches on the interpretation of a provision and refer the contentious issue to a larger (division) bench to decide.¹³

¹⁰ "The law declared by the Supreme Court shall be binding on all courts within the territory of India." India Const. art. 141.

¹¹ See generally, e.g., *Valliamma Champaka Pillai v. Sivathanu Pillai and Ors*, 1979 AIR 1937.

¹² See, e.g., para. 27, *M/S RSPL Limited v. Mukesh Sharma & Anr*, (2016) SCC OnLine (Del.) 4285.

¹³ See, e.g., para. 14, *Vodafone India Ltd v. The Commissioner of Central Excise, Mumbai II*, (2015) SCC OnLine (Bom.) 4791.

Second, while civil remedies in trademark suits in India include permanent injunctions, damages, and accounts of profits,¹⁴ adjudication of IP matters takes time in India, especially trial and final arguments.¹⁵ To not leave the plaintiff remediless, India has a mechanism to grant interim injunctive relief if the plaintiff can satisfy the three required elements, namely *prima facie* case, balance of convenience, and irreparable harm.¹⁶ Being mindful of this unique situation, as a caveat, it is important to highlight upfront that many of the referred cases in the paper concern decisions passed against interim injunction applications, which are not binding.¹⁷ Thus, we may see some conflicting opinions in our discussion below.

Thirdly, given the historical focus of this article, it is essential to mention that trademarks as *property* rights are relatively modern constructs compared to other forms of intellectual property.¹⁸ It originated in fraud and deceit, with close ties to a mark being an act of communication, sparking intense historical debates over whether trademarks should be considered property rights at all.¹⁹ While this

¹⁴ See Trade Marks Act, § 135(1) (“Relief in suits for infringement or for passing off.—(1) The relief which a court may grant in any suit for infringement or for passing off referred to in section 134 includes injunction (subject to such terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order for the delivery-up of the infringing labels and marks for destruction or erasure.”).

¹⁵ A division bench of the Delhi High Court in *Intex Technologies India Ltd. v. Telefonaktiebolaget L M Ericsson*, 2023:DHC:2243-DB, attributed this to low Judge-population ratio. See also *Bajaj Auto Ltd. v. TVS Motor Company Ltd.*, (2009) 9 SCC 797; Chugh, S., *The Culmination of a Saga: How the Delhi HC Resolved the Two-Decade Long ‘Lacoste v. Crocodile International’ Impasse*, SpicyIP (2024), available at <https://spicyip.com/2024/09/the-culmination-of-a-saga-how-the-delhi-hc-resolved-the-two-decade-long-lacoste-v-crocodile-international-impasse.html> (last visited Sept. 8, 2025); Reddy, P., *143 patent infringement lawsuits between 2005 and 2015: Only 5 judgments*, SpicyIP (2017), available at <https://spicyip.com/2017/06/143-patent-infringement-lawsuits-between-2005-and-2015-only-5-judgments.html> (last visited Sept. 8, 2025); Gour, P., *DHC’s IPD Annual Report a positive step for transparency – here’s how it could go further*, SpicyIP (2023), available at <https://spicyip.com/2023/05/dhcs-ipd-annual-report-a-positive-step-for-transparency-heres-how-it-could-go-further.html> (last visited Sept. 8, 2025).

¹⁶ *M/s. Gujarat Bottling Co. Ltd. & Ors v. The Coca Cola Co. & Ors*, 1995 AIR 2372.

¹⁷ *Zenit Mataplast (P) Ltd. v. State of Maharashtra*, (2009) 10 SCC 388. An illustration of how interim injunctions usually work their course out is showcased in *Novartis AG v. Natco Pharma Ltd.*, MANU/SCOR/93953/2024, where the Court ruled that after the patent-in-suit expired, the interim injunction passed by a single judge bench of the Delhi High Court had already run its course and thus the concerned division bench should not have passed a detailed order as the interim injunction was not binding.

¹⁸ Brad Sherman & Lionel Bently, *The Making of Modern Intellectual Property Law: The British Experience, 1760-1911*, 95-118 (1999).

¹⁹ Lionel Bently, *From Communication to Thing: Historical Aspects of the Conceptualisation of Trade Marks as Property* in *Trademark Law and Theory: A Handbook of Contemporary Research*, 3-41 (Graeme B. Dinwoodie & Mark D. Janis, eds., 2008).

article does not delve into the broader historical evolution of trademark law, the background—of the transition of trademarks from a remedy against deceit and fraud, by being a communicative act, to being an asset-based rationale by the second half of the 19th century—is crucial for understanding the contested origins of what we now call “honest and concurrent use.” Treating HCU as merely a statutory provision overlooks the deeper historical foundations of our modern trademark law.

Fourthly and finally, before we get to understanding the evolution of HCU, it is essential to understand when a use of a mark would be regarded as “honest and concurrent.” Is there a need for actual use of the mark to claim this exception or would a mere prior adoption be sufficient? Indian courts have tried to address these nuances on different instances. An understanding that seems to be common throughout the years is that “honesty of adoption and user is *sine quo non*” for application of Section 12.²⁰ On the yardstick of honesty, courts have held that the use should not be dishonest,²¹ should be bona fide,²² and should not be fraudulent,²³ often at the risk of using these terms interchangeably. On concurrent use, while courts have clarified that concurrent use means simultaneous and contemporary use, they have placed it at a secondary footing by clarifying that in case of a dishonest use, no amount of concurrent use can justify the use of the similar or identical mark.²⁴ And on use itself, it has been interpreted that to claim the benefit of Section 12, the claimant must have *used* the mark, but it has been clarified that

²⁰ Kores (India) Limited v. Khoday Eshwarsa and Son and Anr., MANU/MH/0391/1984 at ¶ 11 (“It is obvious that the honesty in adoption and the user in *sin-qua-non* for considering the applicability of sub-section (3) of section 12 of the Act. The knowledge of the registration of the identical mark may be important factor but is not conclusive on the point of honesty of user. The honesty of user is a commercial honesty and the circumstances which led to the adoption of the trade mark in the first instance are of considerable importance to consider whether the use of the mark is honest or otherwise. If the user from its inception was tainted then it would be difficult to purify it subsequently.”); see also *Mr. Sushil Jindal v. Jindal Electricals and Anr.*, MANU / IC / 0003 / 2008 at ¶ 18 (“... A mere concurrent use is not sufficient for the purpose of Section 12 of the Act but the concurrent use should be honest concurrent use. Honesty of adoption and user is the *sine quo non* for application of Section 12 of the Act. Where the adoption or subsequent user of the mark is proved to be dishonest, no amount of user will help the applicant. The claim for concurrent user implies simultaneous and contemporaneous use. . .”).

²¹ *Intex Technologies (India) Ltd & Anr. v. M/S Az Tech (India) & Another*, MANU/DE/0625/2017.

²² *Ansul Industries v. Shiva Tobacco Company*, (2007), ILR 1Delhi409.

²³ *Id.*

²⁴ *Ansul Industries v. Shiva Tobacco Company*, (2007), ILR 1Delhi409; *The Timken Company v. Timken Services Private Ltd.*, MANU/DE/1628/2013; *Suzuki Motor v Suzuki (India) Limited*, MANU/DE/2288/2019.

adoption also plays a supporting role and should not be regarded as immaterial.²⁵

We understand that these varying yardsticks might seem confusing²⁶ and thus would prescribe for understanding the Bombay High Court's listing of the following factors in *Kores (India) Limited v. Khoday Eshwarsa and Son and Anr.* for determining whether a use would fall under the bracket of HCU or not:²⁷

- (1) The honesty of the concurrent use;
- (2) The quantum of concurrent use shown by the petitioners having regard to the duration, area and volume and trade and to goods concerned;
- (3) the degree of confusion likely to follow from the resemblance of the applicants' mark and the opponents' marks;
- (4) Whether any instance of confusion have in fact been proved, and;
- (5) The relative inconvenience which would be caused to the parties and the amount of inconvenience which would result to the public if the applicants' mark is registered.

In the above case, the Court does take into account not just the moral elements associated with the use and the longevity of the use itself but also the impact such use may have, to make a holistic assessment.

II. LEGISLATIVE EVOLUTION

The origin of HCU is contested. A British judge (Lord Diplock) traced it to the common law, whereas a scholar (Phillip Johnson) presents a strong counterargument by placing it in post-registration property rights in a mark. (More on them below.) Though HCU is undeniably linked to the law of registration of trademarks, which emerged only in 1875 and was explicitly codified by statute in the 20th century, its underlying idea can be found even earlier. As outlined above, we frame HCU as a broader principle underpinning various honest and concurrent uses by trademark owners—a principle rooted in the common law. Without picking sides, in our understanding, both interpretations of HCU are valid. This gives

²⁵ Ved Prakash Malhotra v. M/S. Abhinav Export Corporation, MANU/TN/6696/2023.

²⁶ In addition to the synonymous-seeming conditions, interestingly the court in *Lupin Laboratories v. M/S. Jain Products* has bestowed an extremely heavy burden of proof on the defendant to establish honesty in adopting the similar mark, by holding that the efforts of the defendant to establish honesty “must be such, which will satisfy the conscience of the Court that the user was honest.” *Lupin Laboratories v. M/S. Jain Products*, MANU/MH/0289/1998.

²⁷ *Kores (India) Limited v. Khoday Eshwarsa and Son and Anr.*, MANU/MH/0391/1984 at ¶ 11.

rise to two distinct yet interconnected ideas: first, Honest Concurrent Use, explicitly recognized under Section 12 of the Trade Marks Act of 1999, and second, Honest and Current Use, which surfaces across multiple provisions traditionally seen as valid defenses in trademark law.²⁸

Lord Diplock's remark in a 1972 case on the common-law origins of the principle in two 1860s British cases is oft-cited. In Diplock's words,

A right of property of this character [in a trademark] calls for an accommodation between the conflicting interests of the owner of the monopoly, of the general public as purchasers of goods to which the trade mark is affixed, and of other traders. This accommodation had been substantially worked out by the Court of Chancery by 1875.

The interest of the general public requires that they should not be deceived by the trade mark. It ought not to tell a lie about the goods. Two main kinds of deception had been the subject of consideration. These were misrepresentation (a) of the character of the goods to which the trade mark was attached, and (b) as to their origin, i.e. that they were the product of some other manufacturer.

But the interest of the public in not being deceived about the origin of goods had and has to be accommodated with the vested right of property of traders in trade marks which they have honestly adopted and which by public use have attracted a valuable goodwill. In the early 19th century trade was still largely local; marks which were identical or which closely resembled one another might have been innocently adopted by traders in different localities. In these their respective products were not sold in competition with one another and accordingly no question of deception of the public could then arise. With the rapid improvement in communications, however, in the first half of the 19th century markets expanded; products of two traders who used similar marks upon their goods could thus come to be on sale to the same potential purchasers with the consequent risk of their being misled as to the origin of the goods. Furthermore, it was accepted that as an adjunct of the goodwill of the business the right to use a trade mark might be acquired by more than one successor if the goodwill of the business were divided, as it might be, for instance, where the business had formerly been carried on in partnership or from more than one manufactory or shop. To meet this kind of situation, the

²⁸ We can see instances of both these situations in Indian trademark litigation scene with courts reading HCU as a standalone defense under § 12 and also as a broad defense/principle along with other provisions of the Act. See Part III *infra*.

doctrine of honest concurrent user was evolved. Under this doctrine, a trade mark remained entitled to protection in cases where the use of it had not originally been deceptive but a risk of deception had subsequently arisen as a result of events which did not involve any dishonesty or other wrongful conduct upon the part of the proprietor of the mark. If, however, his own wrongful conduct had played a part in making the use of the mark deceptive, the Court of Chancery would not grant him an injunction against infringement. This was but a particular application of the general equitable doctrine that he who seeks equity must come with clean hands.

In cases of honest concurrent user, neither of the owners of the mark could restrict the other from using it, but as against a usurper who infringed it either owner of the mark could obtain an injunction: *Dent v. Turpin* (1861) 2 J. & H. 139 and *Southorn v. Reynolds* (1865) 12 L.T. 75.²⁹

Lord Diplock traced the origins of HCU to the “common law” trademark or English equity doctrine—a view challenged by Professor Phillip Johnson in his detailed chapter on the topic.³⁰ Highlighting the uncertainty involved in the common law trademark lacking a property interest before the 1860s, Johnson argues that *Dent* and *Southorn* do not establish concurrent common law rights, as such rights become relevant only when a mark gains exclusivity, which was not a norm until then.³¹ Per Johnson, the Court in these cases did not protect an exclusive proprietary right but merely prevented misrepresentation. This way, rather than legitimizing concurrent rights in a single mark (as in HCU), these cases allowed the simultaneous use of two marks where no misrepresentation occurred—an approach applied in pre-registration cases. Johnson rightly notes that the first case, *Dent v. Turpin*, involved two users of a mark—both deriving their rights from a common predecessor—who were independently allowed to seek an injunction against a third party.³² The other case, *Southorn v. Reynolds*, with similar facts involving two persons, sons of a father who had originated the manufacture of such pipes, relied on *Dent* and reached a similar conclusion based on nearly identical facts. However, neither case involved a dispute between “concurrent users” as is generally required in HCU claims. Instead, the action was taken against another party. This makes it difficult to accept the remarks of Lord Diplock.

²⁹ General Electric Co. v. General Electric Co. Ltd., 1 WLR 729 at 742-43 (1972).

³⁰ Phillip Johnson, *The Rise and Fall of Honest Concurrent Use*, in Trade Mark Law and Sharing Names, 31-50 (Ilana Simon Fhima, ed., 2009).

³¹ *Id.* at 34.

³² *Dent v. Turpin*, *Tucker v. Turpin*, 70 Eng. Rep. 1003 (1861).

Johnson traced the “real beginnings” of HCU to the “Three Mark Rule,” a “transitional arrangement” created after the Trademark Act of 1875 that required registration but lacked remedies for pre-1875 mark users.³³ The 1875 Act granted exclusive rights to the first registrant, with no provision for prior users—except for joint registration with court approval.³⁴ This strict rule, claimed Johnson, risked injustice where multiple traders had used a mark before August 1875. On top of this, the Act also required registration for infringement claims, triggering a flood of registrations. To mitigate refusals, the 1876 Amendment Act allowed prior users to obtain certificates of refusal, preserving their common law rights. However, it left another question open: “How many traders were allowed on the register before certificates of refusal should be issued for further similar marks.” It was in this context that the registrar, following the Lord Chancellor’s advice, introduced the “Three Mark Rule,”³⁵ as per which no more than three identical marks could be registered. If more traders had been using the mark, additional applicants were refused registration but retained their common law rights.

Notably, while tracing this “real beginning” of HCU, Johnson offered three more reasons why HCU should not be traced to common law. First, passing off, one of the two prevalent causes of action in the pre-registration era, does not recognize HCU as a defense. Instead, it only factors into whether misrepresentation occurred.³⁶ Second, HCU applies only to trademark registration, not as a defense against infringement. Third, when registration was

³³ Johnson, *supra* note 30, at 35-39.

³⁴ Edward Morton Daniel, *The Trade Marks Registration Act, 1875, And The Rules Thereunder; With Introduction, Notes, And Practical Directions As To Registering Trade Marks, Together With The Merchandise Marks Act, 1862, With Notes, And A Copious Index To The Whole* 86 (1876) (Rule 29, Registration of joint owners as separate owners of separate trademarks: “Where diverse persons claim to be severally entitled to the goodwill of a business concerned in the goods with separate trade respect to which a trade mark has been registered, such persons, or any of them, may, if they all consent thereto, and on the production of the proper evidence, and on payment of the prescribed fee, be registered separately as separate proprietors of such trade mark. If all of such persons so entitled do not so consent, the registrar shall not, without leave of the Court, register any of them as separate proprietors of such trade mark.”).

³⁵ Johnson, *supra* note 30 at 36.

³⁶ In passing off cases, the key question is whether the defendant’s use of the mark misleads consumers by misrepresenting the mark. Simply arguing that the defendant also had a right to use the mark (HCU) is irrelevant. Why? Suppose someone starts using a mark dishonestly (e.g., copying another brand). Over time, if the original owner doesn’t take legal action, the public may accept the copied mark as a legitimate. At this point, there is no longer a *misrepresentation*, even though the original act was dishonest. The upshot is that if passing off were based on HCU, the dishonest user could never establish rights. But passing off is about *misrepresentation*—if deception disappears over time, the claim fails. In other words, even if a trademark’s distinctiveness is weakened by dishonest conduct, a passing off claim will only succeed if the original owner acts while the public is still misled. If they wait too long, misrepresentation disappears, and passing off fails.

introduced, separate provisions governed cases where goodwill was split between successors. Thus, *Dent* and *Southorn* would not have been HCU cases but succession cases, placing the doctrine's true origins in the era of trademark registration.

Johnson's argument is nuanced and persuasive—he rightly points out that *Dent* and *Southorn* do not involve “concurrent use” as in HCU. However, limiting HCU to the registration framework downplays a fundamental question that trademark law has grappled with before and after registration: can two people legitimately own and enforce rights over the same or similar marks? And as Johnson agrees, the law has responded to this question affirmatively. While the legal basis has shifted from passing off and fraud to property-based rights, the core issue of honesty or the morality embedded in these questions has remained central. Even before registration, concurrent users retained enforceable rights, either to enjoin third parties or to be recognized as co-owners of the mark. This challenges the view that HCU is purely a statutory construct.

Interestingly, if we examine commentaries from the pre-registration period, cases involving questions of joint use of trademarks on the count of honesty can be found even before the 1860s. For example, Edward Lloyd's 1865 commentary on trademark law suggests that concurrent use—though not in the typical HCU sense—was already recognized as a common defense in infringement cases.³⁷ In the section titled “Grounds of Defence to a Bill for Infringements,” Lloyd discusses two key ways in which defendants could challenge trademark cases involving the question “whether there can be any exclusive property in a name, is illustrated by those cases where the parties against whom an injunction is sought, or some of them, bear the same name with the parties seeking that relief.” First, when the defendant's use of the name appears merely a pretext to mislead the public and divert trade from the plaintiff, the court will intervene to prevent such fraudulent use, even if the defendant has a legitimate claim to the name.³⁸ The second way, directly relevant to this article, is “if the name is already used *bonâ fide*, there is no such property in a mere name as to entitle the Court to interfere.” For this second way, Lloyd discusses *Dent v. Turpin*—the same 1861 case in which Lord Diplock described the origin of HCU and Johnson contested—to clarify that the exclusive right over a mark was not a sole right but could be exercised by more than one person.

³⁷ Edward Lloyd, *The Law of Trade Marks, with Some Account of Its History and Development In the Decisions of the Courts of Law and Equity*, 59-77 (2d ed., 1865).

³⁸ See, e.g., *Croft v. Day*, 49 Eng. Rep. 994 (Rolls Ct. 1843); *Rodgers v. Nowill*, 67 Eng. Rep. 1191 (1846); *Holloway v. Holloway*, 51 Eng. Rep. 81 (1850).

The Merchandise Marks Act of 1862 shows this statute contained a similarly open-ended, morally charged provision named “Conviction not to affect any Right or Civil Remedy.” This was numbered Section 11, stating that:

The provisions in this act contained of or concerning any act, or any proceeding, judgment, or conviction for any act hereby declared to be a misdemeanor or offence, shall not nor shall any of them take away, diminish, or prejudicially affect any suit, process, proceeding, right, or remedy which any person aggrieved by such act may be entitled to at law, in equity, or otherwise, and shall not nor shall any of them exempt or excuse any person from answering or making discovery upon examination as a witness or upon interrogatories, or otherwise, in any suit or other civil proceeding: Provided always, that no evidence, statement, or discovery which any person shall be compelled to give or make shall be admissible in evidence against such person in support of any indictment for a misdemeanor at common law or otherwise, or of any proceeding under the provisions of this Act.³⁹

After a few failed attempts to implement legislation for nationwide registration in India,⁴⁰ the Indian Merchandise Marks Act of 1889 was enacted. While not precisely codifying HCU as such, it contained a similarly modelled provision under the heading “Unintentional Contravention of the Law relating to Marks and Descriptions.” This provision allowed a person to take defense against infringement “if that he had, at the time of the commission of the alleged offence, no reason to suspect the genuineness of the mark or description.”⁴¹

India’s first Trade Marks Act, enacted in 1940, explicitly incorporated HCU under Section 10(2), limiting its scope to registration, as an exception to the general principle in Section 10(1). It is notable that, unlike the 1999 trademark law, the 1940 Act described HCU under the heading “Prohibition of registration of identical or similar trade mark,” thus framing it as a relative ground of refusal. However, the underlying idea of multiple users coexisting—rooted in common law, as noted by Judge Diplock—

³⁹ The Merchandise Marks Act § 11 (1862), 25 & 26 Vict. C. 88.

⁴⁰ See the three-part series of Aparajita Lath at *SpicyIP* published on February 16, 2021: A. Lath, *The Grand Old Indian Trade Marks Register: Episode 1 (1877- 1881)*, *Spicy IP* (2021), available at <https://spicyip.com/2021/02/the-grand-old-indian-trade-marks-register-episode-1-1877-1881.html>; A. Lath, *The Grand Old Indian Trade Marks Register: Episode 2 (1881-1920s)*, *Spicy IP* (2021), available at <https://spicyip.com/2021/02/the-grand-old-indian-trademarks-register-episode-2-1881-1920s.html>; A. Lath, *The Grand Old Indian Trademarks Register: Episode 3 (1920-1940)*, *Spicy IP* (2021), available at <https://spicyip.com/2021/02/the-grand-old-indian-trademarks-register-episode-3-1920-1940.html> (last visited Sept. 8, 2025).

⁴¹ Indian Merchandise Marks Act § 8(c) (1889).

extended beyond this singular provision. Other sections, such as Section 25 (Saving for vested rights)⁴² and Section 26 (Saving for use of name, address, or description of goods),⁴³ reinforced this principle by allowing multiple users under certain conditions.

This dual HCU framework continued in the Trade and Merchandise Marks Act of 1958, which introduced Section 12(3) with explicit HCU wording and HCU-based defensive principles in Sections 32, 33, and 34. With modifications, the Trademark Act of 1999 kept the explicit HCU under Section 12 and other HCU-based defenses under Sections 34 and 35. Notably, although parallel, respective HCU provisions—Section 10(2) of the 1940 Act, Section 12(3) of the 1958 Act, and Section 12 of the 1999 Act—along with other HCU-based provisions like Sections 25 and 26 of the 1940 Act, Sections 32, 33, 34 of the 1958 Act, and Sections 34 and 35 of the 1999 Act, were not equivalent. While each had distinct nuances, and the relevant act today is the 1999 Act, this discussion is beyond this article's ambit and does not impact the historical claim in this section. The judicial engagement with these acts and provisions is undertaken in the next section.

In sum, while the phrase “honest concurrent use” has been mentioned in a single provision since 1940, its core principle—recognizing honest and concurrent use—has permeated multiple provisions in Indian trademark law. This point was well captured in the 1955 Report on Trademark Law Revision:

It is of vital importance to health, commerce and trade, that trade marks should be effectively protected and unfair and improper trade practices should be suppressed, but, on the other hand, it is also of equal importance that fair and

⁴² See The Trade Marks Act § 25 (1940), which provides:

“Saving for vested rights. Nothing in this Act shall entitle the proprietor of a registered user of a registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date prior

(a) to the use of the first-mentioned trade mark in relation to those goods by the proprietor or a predecessor in title of his, or

(b) to the registration of the first-mentioned trade mark in respect of those goods in the name of the proprietor or a predecessor in title of his,

whichever is the earlier, or to object (on such use being proved) to registration of that identical or nearly resembling trade mark in respect of those goods under sub-section (2) of Section 10.”

⁴³ See The Trade Marks Act § 26 (1940), which provides:

“No registration of a trade mark shall interfere with any *bona fide* use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any *bona fide* description of the character or quality of his goods, not being a description that would be likely to be taken as importing any such reference as is mentioned in clause (b) of section 21 or in clause (b) of section 57.”

legitimate competition should not be unduly interfered with. The law of Trade Marks should therefore keep these twin aims in view and while protecting trade marks and the rights of a registered proprietor by suppressing unfair competition in its myriad forms, must also see that the honest trader who has no fraudulent intent is not handicapped in conducting his business. The law must have regard also to the interest of the general public.⁴⁴

While history suggests that HCU holds the potential to be more than just a statutory provision, have Indian courts recognized it as such? Next, we examine how Indian courts have engaged with and interpreted HCU, tracing its judicial evolution, if any.

III. JUDICIAL EVOLUTION OR JUDICIAL CONVOLUTION?

HCU's judicial journey appears less like an evolution and more like a tangled convolution. Indian courts, with their interpretative enigma, have engaged with HCU in at least four ways when confronted with infringement claims: (1) Those cases where it is read alongside acquiescence. These are cases where the courts have treated HCU dismissively while focusing on the defense of acquiescence, undermining its potential as a substantive defense. (2) Those cases where its applicability as a defense is dismissed outright.⁴⁵ Here, courts have refused to read HCU as a defense in infringement cases, restricting it to instances concerning only the registration of a mark. (3) Those cases where it is treated as a standalone defense stemming from Section 12. And finally, (4) those cases where it's treated as a broad principle underlying different provisions in the Trade Marks Act. This category includes cases where the courts have refused to read the HCU in silos, as merely a part of Section 12, but as a broad principle whose presence can be felt across different provisions in the Trade Marks Act.

While the present language of Section 12 allows the Registrar to register a trademark that might be similar or identical to an existing registered or unregistered mark, this was not always the case. As underscored in the above paragraphs, before the 1999 Act,

⁴⁴ Report of Shri Justice N. Rajagopala Ayyangar on Trade Marks Law Revision, at 3, ¶ 11 (1955), available at https://spicyip.com/wp-content/uploads/2015/02/Ayyangar_Committee_Report_Trademarks_2015.pdf (last visited Sept. 8, 2025).

⁴⁵ Although we saw cases where the court refused to accept that the defendant's use was honest or concurrent (*see, e.g.*, *M/S Inder Industries v. M/S Gemco Electrical Industries*, MANU/DE/2852/2012; *M/S Radico Khaitan Limited v. M/S Brima Sagar Maharashtra Distillaries*, MANU/DE/3230/2014; *The Timken Company v. Timken Services Private Ltd.*, MANU/DE/1628/2013; *Suzuki Motor vs Suzuki (India) Limited*, MANU/DE/2288/2019), there were only a couple of cases where the court has refused HCU as a defense outright. For consistency, instead of a separate section for such cases, we have discussed them in the course of the wider discussion in the relevant parts.

under the 1958 and 1940 Acts, HCU was an exception mentioned in the provision containing the relative ground of refusal. This made it susceptible to being applied only against registered trademarks. However, what about protection against unregistered marks?⁴⁶ This issue was resolved by the Supreme Court in *London Rubber v. Durex Products* (1963).⁴⁷

This appeal arose from the decision to deny registration to Durex Products for the mark DUREX for contraceptives based on London Rubber's opposition. The Supreme Court interpreted the HCU under Section 10(2) as a broad exception applicable to both registered and unregistered trademarks, because otherwise, an unregistered mark would receive a higher degree of protection compared with a registered mark, as HCU would be available only against registered marks. Another crucial clarification by the Supreme Court was that the use of the mark under HCU need not be large and substantial; rather, it merely needs to be commercial in nature. On this, the Court opined that the objective of HCU is to protect both the public against any confusion and small trademark proprietors.⁴⁸

London Rubber is one of the most cited decisions on HCU and was instrumental in adopting an expansive reading of the provision

⁴⁶ See, e.g., Trade Marks Act § 10 (1940), which provides:

Prohibition of registration of identical or similar trade mark—

(1) Save as provided in sub-section (2), no trade mark shall be registered in respect of any goods or description of goods which is identical with a trade mark belonging to a different proprietor and already on the register in respect of the same goods or description goods, or which so nearly resemble such trade mark as to be likely to deceive or cause confusion.

(2) In case of honest concurrent use or of other special circumstances which, in the opinion of the Registrar, make it proper so to do he may permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other in respect of the same goods or description of goods, subject to such conditions and limitations, if any, as the Registrar may think fit to impose.

See also Trade and Merchandise Marks Act § 12 (1958), which provides:

Prohibition of registration of identical or deceptively similar trade marks—

(1) Save as provided in sub-section (3), no trade mark shall be registered in respect of any goods or description of goods which is identical with or deceptively similar to a trade mark which is already registered in the name of a different proprietor in respect of the same goods or description of goods.

(3) In case of honest concurrent use or of other special circumstances which, in the opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other (whether any such trade mark is already registered or not) in respect of the same goods or description of goods, subject to such conditions and limitations, if any, as the Registrar may think fit to impose.

⁴⁷ AIR 1963 SC 1882.

⁴⁸ Ghosh, *supra* note 8, at 253.

in the context of registration of a mark. The contribution of this decision is clear from the phrase “(whether any such trade mark is already registered or not)” in Section 12,⁴⁹ which is similar to the Court’s reading above. However, the interpretation of HCU in trademark infringement and passing-off disputes hasn’t always met with such a broad interpretation.

A. The Interplay Between Acquiescence and HCU

Contrasting the above finding with the most recent adoption of this interpretation is the Bombay High Court decision in *Abdul Virjee v. Regal Footwear*.⁵⁰ In this case, the plaintiffs asserted that they had used REGAL/ REGAL FOOTWEAR/ REGAL SHOES marks since 1954, whereas the defendants had used the REGAL/ REGAL FOOTWEAR marks since 1963. The defendant claimed the defense of acquiescence on the part of the plaintiff and that its use was protected under HCU. Siding with the plaintiff, the Court held that the 1999 Act’s reading of the HCU is “only in a limited context as permitting the Registrar of Trade Mark to register trade mark which is identical/similar to an existing registered trade mark and for identical/similar goods.”⁵¹ Therefore, the Court seemed to imply that HCU is only relevant at the trademark prosecution stage and not independently as a defense in the infringement proceedings,⁵² if the impugned mark is not registered.

Interestingly, for this understanding, the Court relied primarily on a 1989 case of the Delhi High Court, namely *Hindustan Pencils v. India Stationary Products*,⁵³ to reiterate that it is a well-settled

⁴⁹ See Trade Marks Act § 12 (1999) (emphasis added).

⁵⁰ MANU/MH/0001/2023.

⁵¹ *Id.* at ¶ 110.

⁵² This understanding is also reflected from the Delhi High Court’s decision in *M/S Radico Khaitan Limited v. M/S Brima Sagar Maharashtra Distilleries*, MANU/DE/3230/2014, where the Court accepted that while HCU may be a defense for the principle of “one mark one proprietor” (i.e., identical marks can be registered under different proprietors), it cannot be a defense in trademark infringement cases. In *Manmohan Garg v. Radha Krishnan Narayan Das Firm (1991)*, 1993 MPLJ 909, the defense of HCU was raised under Section 30(1)(d) of the Trade and Merchandise Marks Act of 1958, which states that use of a trademark will not be an infringement when “the use of a registered trademark, being one of two or more trademarks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under this Act” and not as Section 12(3). Although the Court rejected the defendant’s plea owing to its dishonest adoption of the mark, it acknowledged that Section 30(1)(d) “is meant to protect an honest concurrent user only, that use must be bona fide and lawful exercise of existing legal right.” The Court did not analyze the defense further; however, its assertion on lawful exercise of legal rights perhaps can be interpreted to mean that registration of the impugned mark is *sine qua non* for claiming the defense of HCU and thus Section 12(3) cannot be claimed as a defense on a standalone basis.

⁵³ 1990 AIR (Del.) 19.

principle that HCU will not act as a shield against the Court's power to grant an injunction and cannot be "press ganged" as a defense to trademark infringement.⁵⁴ This approach has also been adopted in other cases such as *Cadila v. Sami Khatib*,⁵⁵ *Winthrop v. Eupharma*,⁵⁶ and *Kirloskar Diesel v. Kirloskar Proprietary*.⁵⁷

Herein lies a hitch, however. The *Hindustan Pencils* case should not be read to support such an understanding. Courts citing *Hindustan Pencils* often overlook a crucial nuance in interpreting the decision: the *Hindustan Pencils* case primarily addresses acquiescence,⁵⁸ with the observations on HCU being made in passing. This is because, historically, the defense of acquiescence has been read along with HCU, with the fulcrum of the defendant's justification for using an allegedly similar mark resting on the former.

1. *Hindustan Pencils* and Pre-1958 Cases on HCU and Acquiescence

*Hindustan Pencils*⁵⁹ involved a dispute over the defendant's use of a word mark and device identical to the plaintiff's NATRAJ word mark and ■ (Dancing Natraj) device mark. Interestingly, the defendants didn't oppose the allegation of infringement and based its defense on delay and laches on the part of the plaintiff to file the suit. Also, the defendants did not raise the defense of HCU, which was brought in by the Court itself while interpreting the *J. R.*

⁵⁴ MANU/MH/0001/2023, ¶ 110.

⁵⁵ *Cadila Pharmaceuticals Limited v. Sami Khatib*, MANU/MH/0497/2011.

⁵⁶ *Winthrop Products Inc. v. Eupharma Laboratories Ltd.*, MANU/MH/0094/1997.

⁵⁷ *Kirloskar Diesel Recon Pvt. Ltd. and Ors. v. Kirloskar Proprietary Ltd. and Ors.*, MANU/MH/0033/1996.

⁵⁸ As explained by the Supreme Court in *Power Control Appliances v. Sumeet Machines Pvt. Ltd.*, (1994) 2 SCC 448, acquiescence is more than mere delay in filing a suit; rather it involves tacit or express positive act on part of the plaintiff toward the defendant's use of its mark:

Acquiescence is sitting by, when another is invading the rights and spending money on it. It is a course of conduct inconsistent with the claim for exclusive rights in a trade mark, trade name etc. It implies positive acts; not merely silence or inaction such as is involved in laches. In *Harcourt v. White*[.] Sr. John Romilly said: "It is important to distinguish mere negligence and acquiescence." Therefore, acquiescence is one facet of delay. If the plaintiff stood by knowingly and let the defendants build up an important trade until it had become necessary to crush it, then the plaintiffs would be stopped by their acquiescence. If the acquiescence in the infringement amounts to consent, it will be a complete defence as was laid down in *Mouson (J. G.) & Co. v. Boehm*. The acquiescence must be such as to lead to the inference of a licence sufficient to create a new right in the defendant as was laid down in *Rodgers v. Nowill*.

Id. at ¶ 26 (internal footnotes omitted).

⁵⁹ *M/S. Hindustan Pencils Pvt. Ltd. vs M/S. India Stationery Products Co.*, AIR 1990 Del. 19.

*Parkington and Co. Ltd.*⁶⁰ decision by J. Romer on the factor of “honesty” while adopting a similar mark.⁶¹ In doing so, the Court opined that where there is an honest concurrent use, the inordinate delay may defeat a claim of damages.⁶² However, considering the general public’s interest, an injunction should not be refused.⁶³ That means in case of inordinate delays, the Court can issue an injunction if it concludes that the public might be misled into buying goods manufactured by the defendant, thinking them to be those of the plaintiff. However, things were held to be different in the case of acquiescence, where the plaintiff gives tacit or express permission to use the impugned mark to the defendant. Relevant here is the remark by the Court:

In such a case **the infringe[r] acts upon an honest mistaken belief that he is not infringing the trade mark of the plaintiff and if, after a period of time when the infringe[r] has established the business, reputation, the plaintiff turns around and brings an action for injunction, the defendant would be entitled to raise the defence of acquiescence.** Acquiescence may be a good defence even to the grant of a permanent injunction because the **defendant may legitimately contend that the encouragement of the plaintiff to the defendant’s use of the mark in effect amounted to the abandonment by the plaintiff of his right in favour of the defendant and, over a period of time, the general public has accepted the goods of the defendant resulting in increase of its sale.**⁶⁴

On a quick read, it may seem like the Court’s rationale associating acquiescence with HCU is misplaced, since the defense of HCU was neither raised by the defendant nor was it countered by the plaintiff. The dispute concerned the issue of delay in filing the civil suit, and thus, passing the above comments without any argument or any judicial backing might make this susceptible to being labeled as *obiter dicta* and not as a rationale. The High Court thrust the justification for allowing a defense of acquiescence, tied up with HCU, on the defendant’s belief that over the period, the general public would start to associate the impugned mark with them.⁶⁵

⁶⁰ (1946) 63 RPC 171.

⁶¹ AIR 1990 Del. 19, ¶ 31.

⁶² *Id.*, ¶ 38.

⁶³ *Id.*, ¶ 32.

⁶⁴ *Id.*, ¶ 33 (emphasis added).

⁶⁵ Interestingly, the element of time or duration of using a mark to claim exception of honest and concurrent use was also discussed by the Supreme Court’s decision in *London Rubber Co. Ltd v. Durex Products*, wherein the Court gave a broad guideline stating

However, the Court's understanding behind reading acquiescence along with HCU in *Hindustan Pencils* might stem from the fact that prior to the 1958 Act, acquiescence was not an express provision under the Indian trademark law. Therefore, courts have historically often read acquiescence within the ambit of "special circumstances," which was a part of the provision concerning HCU.⁶⁶

This can be observed from *Amritdhara Pharmacy v. Satyadeo Gupta*.⁶⁷ Although the judgment was passed in 1962, it stems from a trademark opposition case from the 1950s and thus was adjudged under the 1940 Act. The trademark applicant (respondent in this case) argued that it had been using its LAKSHMANDHARA mark since 1923, and by 1946, it had generated considerable goodwill, as evidenced by its revenue. However, its registration was objected to by the appellant, who argued that the mark is similar to their AMRITDHARA mark. The Trademark Registrar held that the appellant knew about the impugned mark, and yet it waited for close to twenty-five years before opposing the mark after it was published in the *Trade Marks Journal*. The Court agreed with the Registrar's finding and held that the appellant's inaction could amount to acquiescence and be read as a part of "special circumstances" under Section 10(2).

Even before the 1940 Act, the courts had read HCU and acquiescence together. For example, in *Moolji Sicca & Co. v. Ramjan Ali*,⁶⁸ a dispute concerning similar labels on *biris*,⁶⁹ the defendant asserted the defense of acquiescence. The plaintiff argued that when it learned about the defendant's use of the impugned label, it sent a letter objecting to such use. Ruling in favor of the plaintiff, the Calcutta High Court relied on the understanding of Lord Justice Cotton in *Proctor v. Bennis*:⁷⁰

It is necessary that the person who alleges this laying by should have been acting in ignorance of the title of the other man [thus should be using the impugned mark honestly without the knowledge of the original mark], and that the

that commercial use of the mark for a considerable period should be the only factor taken into account by the Court while considering the honest and concurrent use defense. See *London Rubber v. Durex Products*, AIR 1963 SC 1882. See also Ghosh, *supra* note 8 at 253.

⁶⁶ The words "special circumstances" have been a part of the HCU defense under Section 10(2) the Trademark Act of 1940, and under Section 12(3) Trade and Merchandise Marks Act, 1958. See also Meenu Paul, "Acquiescence" of Proprietor of a Trade Mark in the Use of His Trade Mark by the Other: "Meaning" and "Consequence" Under the Trade Marks Law in India, 3(1) NALSAR L. Rev. 20, 21 (2006).

⁶⁷ AIR 1963 SC 449.

⁶⁸ AIR 1930 (Cal.) 678.

⁶⁹ A particular kind of cigarette native to India and other South Asian countries.

⁷⁰ 4 RPC 333.

other man should have known that ignorance and not mentioned his own title [acquiescence].⁷¹

Similarly, in *Devi Dass and Co. Bangalore v. Althur Abboyee Chetty* (1940),⁷² the Madras High Court interpreted that for a defendant to claim acquiescence, “it must be shown that the plaintiff has stood by for substantial period and thus encouraged the defendant to expend money in building up a business associated with the mark.”⁷³ When compared to the finding of *Hindustan Pencils*, one can see that in both cases, the courts have held that the plaintiff’s inaction (despite being aware of the defendant’s mark) must result in concurrent use by the defendant.

Later, when the Trade and Merchandise Marks Act of 1958 replaced the 1940 Act, dedicated provisions for HCU and acquiescence came in. While HCU was a part of Section 12(3) of the 1958 Act, acquiescence was provided for under Section 30(1)(b),⁷⁴ without expressly using the latter term. Regardless of this categorization, we could find the courts interpreting HCU and acquiescence in the same breath.

2. Post-1958 Interpretation on Acquiescence: *Sumeet Machines Pvt. Ltd.*

After 1958, the oft-cited *Hindustan Pencils* and other cases faithfully relied on an interpretation of the HCU limitations vis-a-vis acquiescence.⁷⁵ However, the decision that has had the most

⁷¹ *Id.* at 357.

⁷² AIR 1941 (Madras) 31.

⁷³ *Id.* at ¶ 7.

⁷⁴ Section 30(1)(b) Trade and Merchandise Marks Act (1958) states:

Acts not constituting infringement.

(1) Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of the right to the use of a registered trade mark:

(b) the use by a person of a trade mark in relation to goods connected in the course of trade with the proprietor or a registered user of the trade mark if, as to those goods or a bulk of which they form part, the registered proprietor or the registered user conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trade mark.

⁷⁵ *Cadila Pharmaceuticals Limited v. Sami Khatib*, MANU/MH/0497/2011; *Winthrop Products Inc. v. Eupharma Laboratories Ltd.*, MANU/MH/0094/1997; *Kirloskar Diesel Recon Pvt. Ltd. and Ors. v. Kirloskar Proprietary Ltd. and Ors.*, MANU/MH/0033/1996; *Ansul Industries v. Shiva Tobacco Company* (2007), ILR 1Delhi409. A few years after the Delhi High Court’s decision in the *Hindustan Pencils* Case, the Court passed the decision in *Apple Computer Inc. v. Apple Leasing & Industries* (1991), MANU/DE/0919/1991, where it gave out a separate yardstick to consider the dynamics between acquiescence and HCU. The Court held that if the delay in filing the suit impacts the defendant’s defense of HCU, then such a delay can be used as a defense by the defendant. *See also* Ghosh, *supra* note 8, at 239.

resounding impact on this interplay was issued by the Supreme Court in *Power Control Appliances v. Sumeet Machines Pvt. Ltd.*⁷⁶

Sumeet Machines resolved two limitations that were left unresolved by the cases before it: first, whether the accepted principles of delays can be extended to the claims of acquiescence, and second—which is relevant for this article—whether injunctive reliefs can be opposed by a “composite defence of delay, acquiescence, and concurrent use.”⁷⁷ In the Court’s words:

41. . . there can be only one mark, one source and one proprietor. It cannot have two origins. Where, therefore, the first defendant-respondent has proclaimed himself as a rival of the plaintiffs and as joint owner it is impermissible in law. Even then the joint proprietors must use the trade mark jointly for the benefit of all. It cannot be used in rivalry and in competition with each other.⁷⁸

The Court also observed that “. . . plea of honest and concurrent user as stated in Section 12(3) of 1958 Act for securing the concurrent registration is not a valid defence for the infringement of copyright.”⁷⁹

However, the courts that rely on this case fail to consider that these observations cannot be viewed as a general principle governing HCU. Instead, they must be read in the context of the facts of the case, because these observations were, to say the least, highly fact-specific. The judgment concerned three suits consequent to tumultuous family dynamics. The suits alleged infringement of the plaintiffs’ copyright, SUMEET trademark, and design, respectively, all related to the common products: mixers. The defendant was an enterprise started by the plaintiff’s proprietor’s son. The defendant initially marketed the plaintiff’s SUMEET products and then started using the same trademark for its competing products.

The Madras High Court refused to pass an interim injunction order because of the plaintiff’s acquiescence to the defendant’s HCU. The High Court relied on the defendant’s explanation that the plaintiff’s proprietor was aware of the defendant’s use of the mark and had signed different warranties and guaranties to banks and other regulators, allowing the defendant to use the SUMEET mark for marketing the products. The Court also deferred to the fact that the defendant’s proprietor was also a director in the plaintiff’s company. The Supreme Court took a different view, passing the above-quoted observation. Indeed, the Supreme Court called out the

⁷⁶ (1994) 2 SCC 448.

⁷⁷ Ghosh, *supra* note 8, at 239.

⁷⁸ (1994) 2 SCC 448, ¶ 41.

⁷⁹ *Id.*, ¶ 42.

High Court for weighing the approvals given to the son and how the family business of the plaintiff is run, and reminded the High Court that both the defendant and its proprietor were different entities.⁸⁰ Therefore, the observation of “one mark one proprietor” cannot be read as a blanket bar on the application of the HCU defense and is to be read as a finding on joint ownership instead.⁸¹

The subsequent observation on the HCU is also problematic because the Court completely ignored the fact that there were separate suits concerning trademarks and designs in this dispute. So, while the defense of HCU may not apply to copyright infringement, the case also had an allegation of trademark infringement to which the defense could have been applied. Therefore, seemingly, the Court emphasized the defense of acquiescence, and once that was dismissed, it didn’t take the defense of HCU seriously.

B. Reading HCU as a Standalone Defense

Returning to square one, we can see that courts have rejected the application of HCU as a defense in infringement or passing-off cases where it has been used alongside acquiescence and often has been treated as an inferior defense. On the flip side, this also means that the interpretation in *Hindustan Pencils* or *Power Control Appliances* should not be read to mean a blanket ban on using HCU as a defense in those cases where the defendant has solely relied on it. This is because, as seen above, the courts have not thoroughly assessed the provision.

This brings us (back) to the decision in *KEI Industries v. Raman Kwatra and Anr.* (*KEI-1*) by a single-judge bench of the Delhi High Court wherein the Court interpreted that HCU cannot be used as a defense in infringement proceedings, relying on *Sumeet Machines*.⁸² In *KEI-I*, while it seems like the defense of acquiescence was raised by the defendant, the same was neither argued before the Court by the parties nor assessed by the Court separately. As mentioned in the introduction, this understanding was overruled by a Division Bench of the Delhi High Court in *Raman Kwatra v. KEI Industries*.⁸³ Much like *KEI-1*, acquiescence was not discussed by the division bench. However, as said above, the Court did not venture deep into its opinion of HCU and only restricted it to a *prima facie* finding.⁸⁴

⁸⁰ *Id.*, ¶ 43.

⁸¹ However, it is pertinent to note that the Madras High Court did not use the term “Joint Ownership” and instead referred to the defendants as “joint collaborators.”

⁸² Para. 46 at pg. 24, 2022 SCC OnLine Del 1459 (citing *Power Control v. Sumeet Machines* (1994)), 2 SCC 448.

⁸³ Para. 49, MANU/DE/0066/2023.

⁸⁴ *Id.*

This lack of clarity on the interpretation of HCU as a standalone defense allows us to pivot away from the decisions stemming from the *Abdul Virjee*, *Hindustan Pencils*, and *Sumeet Machines* line of judgments.

The Delhi High Court decision in *Jain Rubber Industries v. Crown (P.) Ltd.*⁸⁵ is one of the foremost cases that was an exception to this norm of reading HCU and acquiescence together. In this case, the Court denied the plaintiff an interim injunction against the defendant's use of the CROWN trademark.⁸⁶ Although there were parallel trademark prosecution proceedings concerning the registration of the defendant's mark⁸⁷ and revocation of the plaintiff's mark, the Court focused on the defendant's submissions that it was the honest prior and concurrent user of the mark to deny the interim relief to the plaintiff. For this, the Court relied on Section 12(3) of the Trade and Merchandise Marks Act of 1958, and read the defense of HCU to stem from there.⁸⁸

Another case where the standalone defense of HCU protected the defendant from being enjoined is the Bombay High Court's decision in *Datamatics Global Services Limited v. Royal Datamatics Private Limited*.⁸⁹ Here, the dispute was over the defendant's use of DATAMATICS. The Court first held that the term was descriptive and generic, and the plaintiff could not seek protection over it.⁹⁰ Regardless, the Court also assessed the HCU defense raised by the defendant and held that the defendant had been honestly using the mark for nineteen years and has been providing services to reputed information technology brands, which would save it from infringement proceedings.⁹¹

⁸⁵ MANU/DE/0237/1988.

⁸⁶ *Id.*, para. 7.

⁸⁷ The Delhi High Court, in *Metro Playing Cards v. Wazir Chand Kapoor* (1971), AIR 1972 (Del.) 248, had clarified that until the time an HCU-claiming user gets a registration for its mark, a proprietor of similar trademark can file a trademark infringement suit against it. *Id.*, para. 13. Thus, merely filing a trademark application will not save such subsequent user from an infringement suit. This view was echoed in *M/S. Hitachi Ltd. v. Ajay Kumar Agarwal*, para. 21, (1996) ILR 1 (Del.) 359, and is contradictory to the Karnataka High Court's decision in *D. Adinarayana Setty v. Brooke Bond Tea of India Ltd.* (1959), AIR 1960 (Kant.) 142, where the Court opined that the defendant should seek a stay on the infringement hearing while the Registrar decides on its MANU/MH/0410/2011 application. The latter is a more traditional approach toward HCU, akin to the Bombay High Court's decision in *Abdul v. Regal*, MANU/MH/0001/2023, where the Court held that Section 12 concerns only the Trademark Registry.

⁸⁸ *Jain Rubber*, MANU/DE/0237/1988, ¶ 5.

⁸⁹ MANU/MH/0410/2016.

⁹⁰ *Id.*, ¶¶ 7-8.

⁹¹ *Id.*, ¶ 9.

***C. The Embodiment of HCU in Different Provisions
Across the Trade Marks Act***

Diving a little deeper into different instances involving HCU as a defense, we can see that apart from the above cases, Indian courts have also read HCU as a broader principle, not only limited to acquiescence cases but underpinning other provisions of the Trade Mark Act of 1999.⁹²

Relevant here is *Löwenbräu AG and Anr. v. Jagpin Breweries and Anr.*⁹³ In this case, both parties were based in Germany and wanted to expand their business in India. The plaintiff, proprietor of the LÖWENBRÄU marks, sought an injunction against the defendant's use of a deceptively similar mark. In contrast, the defendants sought to vacate a previously granted ex parte order. The defendants argued that the mark LÖWENBRÄU has been used extensively by many breweries in Germany, that the defendants have been using the mark since 1999 in India, and one of the defendants has been recognized as a prior user in Germany. Considering the facts of the case, the Court held that it cannot ignore the usage of the mark in countries abroad.⁹⁴ In the defense against the allegation of infringement, the Court adopted a broad approach and read HCU not only as a subset of a single provision but as a principle that could be traced across different provisions of the Trade Marks Act.⁹⁵

The Court held that:

Concurrent and honest user was a valid defence against an action for infringement under the Trade Mark and Merchandise Marks Act, 1958. Legal rights of a third party to use a mark without causing infringement of a mark registered under the said 1958 Act, is protected under Section 159(5) of the Act. Defendants will be entitled to benefit and defend this action relying upon honest and concurrent use. Even otherwise Sections 9(1), 30(1) and (2) and 35 of the Act do recognise honest concurrent use and on the conditions mentioned therein being satisfied, defend a suit for infringement. Honest and concurrent user is always recognised as a defence to action alleging infringement.⁹⁶

⁹² This argument has also been made by some leading trademark scholars like Eashan Ghosh. See Ghosh, *supra* note 8, at 256-273.

⁹³ MANU/DE/0022/2009.

⁹⁴ *Id.*, ¶ 27.

⁹⁵ *Id.*, ¶ 29.

⁹⁶ *Id.*

What the Court meant to insinuate here is that HCU was protected under the 1958 Act and as per Section 159(5)⁹⁷ of the Trade Marks Act, 1999, when a particular use of a registered mark that is not infringing any mark before the commencement of the Act, then the continued use of that mark will not be an infringement. Thus, the Court carried forward that defense from the 1958 Act. Among the other provisions cited by the Court, references to Sections 30 and 35 are particularly interesting. This is because, under Sections 30(1), 30(2),⁹⁸ and

⁹⁷ Trade Marks Act § 159(5) (1999) (“Notwithstanding anything contained in this Act, where a particular use of a registered trade mark is not an infringement of a trade mark registered before the commencement of this Act, then, the continued use of that mark shall not be an infringement under this Act.”).

⁹⁸ *Id.* § 30. This section states:

Limits on effect of registered trade mark.—

(1) Nothing in section 29 shall be construed as preventing the use of a registered trade mark by any person for the purposes of identifying goods or services as those of the proprietor provided the use—

- (a) is in accordance with honest practices in industrial or commercial matters, and
- (b) is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark.

(2) A registered trade mark is not infringed where—

- (a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;
- (b) a trade mark is registered subject to any conditions or limitations, the use of the trade mark in any manner in relation to goods to be sold or otherwise traded in, in any place, or in relation to goods to be exported to any market or in relation to services for use or available for acceptance in any place or country outside India or in any other circumstances, to which, having regard to those conditions or limitations, the registration does not extend;
- (c) the use by a person of a trade mark—
 - (i) in relation to goods connected in the course of trade with the proprietor or a registered user of the trade mark if, as to those goods or a bulk of which they form part, the registered proprietor or the registered user conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it, or has at any time expressly or impliedly consented to the use of the trade mark; or
 - (ii) in relation to services to which the proprietor of such mark or of a registered user conforming to the permitted use has applied the mark, where the purpose and effect of the use of the mark is to indicate, in accordance with the fact, that those services have been performed by the proprietor or a registered user of the mark;

(d) the use of a trade mark by a person in relation to goods adapted to form part of, or to be accessory to, other goods or services in relation to which the trade mark has been used without infringement of the right given by registration under this Act or might for the time being be so used, if the use of the trade mark is reasonably necessary in order to indicate that the goods or services are so adapted, and neither the purpose nor the effect of the use

35,⁹⁹ a use of a similar trademark can be exempted if such use is honest in accordance with industrial and commercial practices and can be used in relation to goods or services indicating quality or geographical origin. In the present case, it was argued that the mark LÖWENBRAU denotes the country of origin.¹⁰⁰ Interestingly, the Court did not refer to Section 12 of the Act, which allows honest and concurrent users to register a similar mark. While the Court does not specify this principle, in our opinion, the Court interpreted Section 12 to be applicable only on registration issues but nonetheless accepted that the principle of HCU is present in other provisions across the statute.

The reference to Section 12 was made by a Division Bench of the Delhi High Court in *Goenka Institute of Education v. Anjani Kumar Goenka & Anr.*¹⁰¹ The dispute here concerned the appellant's adoption of "Goenka" in their trademarks for their educational institution. Deciding an appeal against the order of a single judge, the Court relied on Section 12. It divided its application into three aspects: assessment of honesty, assessment of concurrent use, and imposition of any conditions and limitations.¹⁰² On the first two legs, the Court held that the appellant's use of the mark was honest owing to a trust deed bearing the name "GOENKA" and also considered that "Goenka" was the surname of the trustees. Under the Trade Marks Act, Section 35, inter alia, allows bona fide use of one's name (in this case, surname) in relation to their goods or services.

After applying this exception, the Court, to avoid any confusion in the general public, passed certain directions to include certain disclaimers, mentioning the name of the trust wherever the name of their institution is used. The latter direction resonates with the sentiments expressed by the Gujarat High Court in *Good Life*

of the trade mark is to indicate, otherwise than in accordance with the fact, a connection in the course of trade between any person and the goods or services, as the case may be;

(e) the use of a registered trade mark, being one of two or more trade marks registered under this Act which are identical or nearly resemble each other, in exercise of the right to the use of that trade mark given by registration under this Act.

⁹⁹ *Id.* § 35 ("Saving for use of name, address or description of goods or services.—Nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with any bona fide use by a person of his own name or that of his place of business, or of the name, or of the name of the place of business, of any of his predecessors in business, or the use by any person of any bona fide description of the character or quality of his goods or services.").

¹⁰⁰ Löwenbrau AG and Anr. v. Jaggin Breweries and Anr., MANU/DE/0022/2009, ¶ 30.

¹⁰¹ MANU/DE/2229/2009. This decision was also relied on by the Delhi High Court in *Cadila Healthcare Ltd. v. Diat Foods*, MANU/DE/2546/2010, ¶ 18, to hold that the Court can, akin to the powers of the Trademark Registrar under Section 12, give directions for the use of the marks in order to ensure that no confusion occurs.

¹⁰² *Id.*, ¶ 12.

Industries v. J R J Foods Pvt. Ltd., where the Court held that “the necessity for invoking Section 12 would arise only when the similarity between the two marks is such as is likely to cause confusion in the public including likelihood of association with other marks.”¹⁰³

The *Goenka* decision was important not only because the Court interpreted HCU under Section 12 as a defense, but also because it tied it up with another exception under Section 35, allowing the use of one’s surname.

In sum, given these disparate readings of HCU, the recent judicial dismissals of HCU as a defense are unfounded. Instead, HCU is a broad principle embedded across multiple provisions of the Trade Mark Act. This is evident not only in the 1999 Act but also in its predecessor statutes.

IV. FINAL REMARKS

From all this textual talk, there are two key takeaways. First, like everything else in law, the history of HCU extends beyond the provision itself—it is deeply tied to the broader principle of honest and concurrent use, which has long been embedded in trademark law. Despite clear traces of HCU principles in common law and subsequent codifications, Indian courts have reviewed and considered the issue in distinct ways, shaped by the facts presented before them and the arguments advanced by the parties. Second, India has cycled through three trademark legislations over the last century, each positioning HCU slightly (if not much) differently. Yet, as our analysis suggests, the underlying idea of honest and concurrent use has remained a consistent thread running through all these legal frameworks.

That said, the history of HCU in Indian law remains somewhat unclear, mainly due to the lack of clarity in judicial engagement. But why is that the case? Why do courts interpret and rely on precedents the way they do? Several factors could be at play, like heavy judicial burdens, the peculiar nature of trademark disputes that often end at the interim stage, and the mechanical reliance/citation of cases without conscious engagement. However, another critical issue lurks beneath the surface: problematic interpretations, even those at odds with historical understanding, often escape scrutiny because of a lack of scholarly attention in the country. Various scholars have noted the broader issue of trademark law being underexplored in legal scholarship. In India, this gap is even more apparent where trademark law, especially its historical aspects, has received sparse academic engagement, making the interpretative gaps all the more glaring.

¹⁰³ MANU/GJ/3045/2022, ¶ 16.

We hope this article opens up a research space for other intellectual property scholars to engage with, interrogate, and even contest our claims and observed patterns. Because, as they say, to critique is to care!

*À bientôt!*¹⁰⁴

¹⁰⁴ “See you soon.” Merriam-Webster (2025), <https://www.merriam-webster.com/dictionary/%C3%A0%20bient%C3%B4t> (last visited Oct. 9, 2025).

THE “DOCTRINE OF GREATER CARE”:
PHARMACEUTICAL TRADEMARKS IN INDIA*

By *Aparajita Lath***

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** IP Lawyer and Founder, Lath Law (Bangalore, India). Assistant Professor of Law, National Law School of India University, Bangalore, India. LL.M., Harvard Law School, and BA.LLB, NUJS. I presented an earlier draft of this paper at the National Law School of India, Faculty Seminar, where I received valuable feedback from Arul Scaria, Saurabh Bhattacharjee, and Manish. Thank you to Prashant Reddy for his comments. I would also like to thank Kanishk Hegde, Kevin Preji, and Prem Parwani, students of the National Law School, for their tireless efforts in compiling hundreds of pharmaceutical trademark cases for me! Special thanks to Praharsh Gour for connecting me with Manavi Jain, and to Manavi and *The Trademark Reporter* (TMR) for giving me the opportunity to contribute this article. I am also grateful to Andrew J. Gray IV of the TMR and the TMR’s other reviewers and editors for their careful review, edits and valuable feedback. All views are personal, and mistakes remain mine. I can be reached at aparajita@lathlaw.com / aparajita.lath@gmail.com.

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ABSTRACT

The Indian pharmaceutical market is filled with “sound-alike” and “look-alike” drugs, that is, different pharmaceutical companies using the same or similar name to market and sell different drugs. Not only do such confusingly similar trademarks co-exist in the market, but they also co-exist on the Trade Marks Register (under Class 5). This practice has emerged in India due to the growth of a pharmaceutical industry heavily oriented toward generics, where it is often assumed that generic medicines are interchangeable substitutes for the innovator’s brand. Regulatory and clinical considerations, however, reveal that Indian generic drugs may not be interchangeable. Still, the industry has developed a distinct branding language, relying on prefixes, suffixes, and sound-alike elements that signal therapeutic class or function. This reality has led to a proliferation of ambiguous terminology within the pharmaceutical market, fostering confusion that poses significant risks to public health and safety. At the same time, the absence of a clear regulatory framework for approval of pharmaceutical trademarks, combined with the Trade Marks Registry’s lax enforcement of Section 13 requirements, has enabled the registration of numerous similar marks. These overlapping market and regulatory factors have created an environment in which confusingly similar pharmaceutical trademarks proliferate, heightening the risk of medication errors and undermining the public safety objectives of trademark law. In the absence of a robust regulatory framework, courts and the Trade Marks Registry have grappled with challenges in addressing issues of confusion and potential harm to public health and safety in pharmaceutical trademark infringement cases and registration proceedings. While the Supreme Court of India has applied the doctrine of “greater care” to prevent confusion between pharmaceuticals in India, inconsistencies prevail nevertheless. This article explores the evolution of the doctrine of “greater care” in India. It provides a comprehensive definition of its application, and drawing from scholarship in the United States, it proposes an expansion to the doctrine suitable for the Indian context, along with practical and implementable solutions.

I. INTRODUCTION

The Indian Trade Marks Act, 1999 (the “ITMA”) allows owners of trademarks to register their marks with the Trade Marks Registry (the “ITMR”) while also recognizing the rights associated with unregistered marks based on their use in commerce.¹ Registration is advantageous, as it provides nationwide rights and

¹ The Trade Marks Act, No. 47 of 1999, § 27(2) & ch. II, India Code.

is *prima facie* evidence of a trademark's validity.² But registration is not automatic, and the ITMR can deny or cancel a registration in certain circumstances.³ Such actions may arise from initiatives taken by the ITMR or by a third-party. Furthermore, the owner of a mark (whether registered or unregistered) can challenge the use of another mark through infringement or passing-off actions.⁴ In both registration and infringement proceedings, the primary test is whether the marks are "likely to cause confusion on the part of the public."⁵ If confusion is likely, registration will be denied and usage enjoined.

Courts apply various factors in determining whether a "likelihood of confusion" exists between conflicting marks. The key factors include visual, phonetic, and structural similarities between the marks, the nature of the marks (words, labels, or composite marks), the nature of the goods or services, the similarity of the goods or services, the channels of trade, evidence of actual confusion, the sophistication of consumers, and other surrounding circumstances.⁶ These factors are collectively weighed; no one factor is dispositive.⁷ Given the large number of variables, the test of confusion is inherently subjective—or at least fact specific. Consequently, the value of precedent in trademark law is not found solely in the outcomes of specific cases but is found instead in the principles applied to determine what is likely to cause confusion.

Courts in India have developed two standards for assessing confusion: one, which applies to non-pharmaceutical goods, and the other, a stricter standard, for pharmaceuticals. The stricter standard, reflecting the doctrine of "greater care" for pharmaceuticals, is based on the theory that mistakes due to confusion in this market can lead to harmful physical consequences (not just economic). Although this doctrine originated in the United States,⁸ Indian courts have adapted and refined these principles to align with the domestic Indian context. In 2001, the Supreme Court of India in *Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd.* recognized that the use of the wrong medicine due to confusing brand names transcends economic harm and can result in physical

² *Id.* §§ 28, 31.

³ *Id.* §§ 9, 11, 47, 57.

⁴ *Id.* §§ 27(2), 29.

⁵ *Id.* §§ 11(1), 29(2).

⁶ *Cadila Healthcare Ltd. v. Cadila Pharm. Ltd.*, (2001) 5 S.C.C. 73 at 95 (India).

⁷ *Id.* at 95.

⁸ David Simon, *Trademark Law and Consumer Safety*, 72 Fla. L. Rev. 673, 694–712 (2020) (citing authorities that note the doctrine of greater care and discussing its development in the United States); *Trademarks and the Concept of Greater Care - Glenwood Laboratories, Inc. v. American Home Products Corp.*, 14 Wm. & Mary L. Rev. 441 (1972) (noting the development and implications of the "doctrine of greater care" in the United States).

or psychological harm.⁹ In doing so, the Supreme Court has acknowledged that Indian trademark law aims to promote consumer protection and safety. Despite the Supreme Court's ruling, however, lower courts and the ITMR apply this doctrine inconsistently.¹⁰

Furthermore, the doctrine of "greater care" has evolved in India primarily in relation to the test of confusion, which is a relative standard that necessitates comparison with other marks. As David Simon has argued in the context of the United States, this idea of exercising greater caution when dealing with pharmaceutical trademarks should also extend to assessing the suitability of a name for trademark protection.¹¹ The ITMA allows for an expanded interpretation, as it prohibits the use and registration of names, descriptions, or indications that are materially false or misleading.¹² These provisions can effectively prevent the use and registration of deceptive trade descriptions and misleading names.

In light of this framework, this article will examine the circumstances under which the doctrine of "greater care" has been invoked in India, define the doctrine within the Indian context, and propose guidelines for its expansion and application in both infringement and registration proceedings. To provide context, the article will also briefly discuss the regulatory framework governing pharmaceutical trademarks in India.

II. THE PHARMACEUTICAL MARKET AND REGULATORY CONTEXT IN INDIA

The Indian market for pharmaceuticals is unique in many respects. Unlike non-prescription medicines in the United States, no medicines can be purchased off-the-shelf in India. Rather, as of October, 2025, all medicines, whether prescription or non-prescription, are sold through intermediaries who are licensed to sell and distribute medicines. Certain drugs listed in specific schedules of the Drugs and Cosmetics Act, 1940 are prescription-only drugs (e.g., Schedule H, X). These drugs can be sold only based on a prescription by a licensed pharmacy/chemist. Some drugs can only be sold to hospitals and are not available at pharmacies meant for the public. The remaining non-prescription medicines such as vitamin, cough syrups, paracetamol, etc. also cannot be sold anywhere in India such as in grocery shops or general stores.

⁹ *Cadila Healthcare Ltd.*, 5 S.C.C. at 93.

¹⁰ See *infra* Part III, which discusses the varying approaches taken by courts and the ITMR.

¹¹ Simon, *supra* note 8 at 713 (deception and description in trademark law).

¹² Trade Marks Act § 103 (penalty for applying false trade descriptions is imprisonment and a fine) & § 9(2)(a) (absolute grounds of refusal).

A dangerous peculiarity of this market is that it is replete with “sound-alike” and “look-alike” medicines wherein¹³ different pharmaceutical companies use the same or similar names for different drugs, including:¹⁴

S. No.	Brand name	Indication
1.	ZITAL VITAL ZITA (100 mg)	Zita vitamin (premium nutrition for 28-40-week pregnancy) Treatment for type 2 diabetes
2.	AZ AZ PLUS Suspension	Antihistamine Treatment for infections caused by worms

¹³ Dinesh Thakur & Prashant Reddy, *The Truth Pill: The Myth of Drug Regulation in India*, 406–08 (2022) [hereinafter “Truth Pill”]; Aparajita Lath, *Pharmaceutical Trademark Confusion: Poison Pill or Public Health?*, SpicyIP (Nov. 16, 2022), <https://spicyip.com/2022/11/pharmaceutical-trademark-confusion-poison-pill-or-public-health.html>; Prashant Reddy, *Same Same but Different! The Menace of Different Drugs with Similar Trade Names*, SpicyIP (Jan. 30, 2024), <http://spicyip.com/2024/01/same-same-but-different-the-menace-of-different-drugs-with-similar-trade-names.html>; Murali Neelakantan *et al.*, *Look-Alike, Sound-Alike (LASA) Drugs in India*, *Lancet Reg. Health Southeast Asia* (May 2024), [https://www.thelancet.com/journals/lansea/article/PIIS2772-3682\(24\)00075-1/fulltext](https://www.thelancet.com/journals/lansea/article/PIIS2772-3682(24)00075-1/fulltext); Lokesh Vyas & Praharsh Gour, *SITARA-D & SITARED Are Not Similar, Says the Delhi High Court: What About Consumers, Confusions, & Contradictions?*, SpicyIP (Dec. 13, 2022), <https://spicyip.com/2022/12/sitara-d-and-sitaret-are-not-similar-says-the-delhi-high-court-what-about-consumers-confusions-and-contradictions.html>.

¹⁴ *Truth Pill*, *supra* note 13; *see, e.g.*, *Optrex India Ltd. v. Dey’s Med. Stores Ltd.*, MANU/TM/0002/1987 (Trade Marks Registry, Delhi) (trademark registration case concerning the marks DELONE used for the treatment of tuberculosis and DELOPAN used for respiratory and gastro-intestinal conditions); *Johann A. Wulfig v. Chem. Indus. & Pharm. Labs. Ltd. & Ors.*, A.I.R 1984 Bom 281 (Bombay High Ct.) (trademark infringement case concerning the marks COMPLAMINA for vascular disorders and CIPLAMINA as anti-leprosy treatment); *Charak Pharm. v. Deepharma Ltd.*, AIR 1999 Del 15 (Delhi High Ct.) (trademark infringement case concerning the marks ALSAREX and ULCAREX both used to treat ulcers); *Aviat Chemicals Pvt. Ltd. & Ors. v. Intas Pharm. Ltd.*, (2001) 93 DLT 247 (Delhi High Ct.) (trademark infringement case concerning marks LIPICARD and LIPICOR both used to lower cholesterol levels); *Sanat Prods. Ltd. v. Glade Drugs & Nutraceuticals Pvt. Ltd.*, (2003) 27 PTC 525 (Delhi High Ct.) (trademark infringement case concerning marks REFIRM and REFORM both used for osteoporosis); *Sun Pharma Labs. Ltd v. Psycoremedies Ltd.*, 2015 (63) PTC 493 (Madras High Ct.) (trademark infringement case concerning the marks SIZOPIN and SYZOPIN for treating depression and schizophrenia); *Sun Pharm. Indus. Ltd. v. Protrition Prods. LLP*, 2024 (97) PTC 527 (Delhi High Ct.) (trademark infringement case concerning marks ABZORB an anti-fungal medicine and ABBZORB for a whey protein).

S. No.	Brand name	Indication
3.	MEDZOLE 400	Treatment for infections caused by worms
	MEDZOLE-40	Acidity tablets
	MEDZOL (1 mg) injection	Sedative and anaesthesia
4.	DILANTIN	Anti-convulsant
	DILCONTIN	Anti-hypertensive
5.	ROKCIN	Anti-microbial
	ROXIN	Hormone

Not only do these trademarks coexist in the market, but they also coexist on the Trade Marks Register (under Class 5).¹⁵ The number of pharmaceutical trademark applications have increased over the years, with Class 5 (pharmaceuticals) consistently having the largest number of applications.¹⁶ In 2022–2023, there were 32,320 trademarks registered in Class 5, as compared with 384 medicines listed by the government of India in the National List of Essential Medicines in 2022.¹⁷ Despite the Supreme Court ruling in *Vishnudas Trading*, it is common practice for marks to be registered under Class 5 for “pharmaceuticals” in general without specifying the particular ailment or indication.¹⁸

¹⁵ See, e.g., Registered trademarks on the Trade Marks Register under Class 5: TRIMOX (No. 292222 for “pharmaceutical and medical preparations”); IMOX (No. 461167 for “medicinal and pharmaceutical preparations”); ULTIMOX (No. 389473 for “medicinal and pharmaceutical preparations for human use”); PRIMOX (No. 452812 for “medicinal and pharmaceutical preparations”); MEDZAL-100GM (No. 4112387 for “pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medical use, food for babies”); MEDZEAL (No. 1749246 for “medicines for human use”); MEDZEE (No. 1763100 for “medicinal and pharmaceutical preparations”).

¹⁶ Office of the Controller Gen. of Patents, Designs, Trademarks & Geographical Indications, *Annual Report 2022-23*, at 65 (2023), https://ipindia.gov.in/writereaddata/Portal/IPOAnnualReport/1_114_1_ANNUAL_REPORT_202223_English.pdf (India).

¹⁷ *Id.* at 68; Cent. Drugs Standard Control Org., *List of Essential Medicines*, at 100 (2022), <https://cdsco.gov.in/opencms/opencms/en/consumer/Essential-Medicines/> (India).

¹⁸ *Vishnudas Trading v. Vazir Sultan Tobacco Co. Ltd.*, (1997) 4 S.C.C. 201 at 223, 224 (“In our view, if a trader or manufacturer actually trades in or manufactures only one or some of the articles coming under a broad classification and such trader or manufacturer has no bona fide intention to trade in or manufacture other goods or articles which also fall under the said broad classification, such trader or manufacturer should not be permitted to enjoy monopoly in respect of all the articles which may come under such broad classification and by that process preclude the other traders or manufacturers to get registration of separate and distinct goods which may also be grouped under the broad classification.”).

This common practice can be attributed to the development of a pharmaceutical industry in India that specializes in generic drugs. Until 2005, India maintained a clear policy that prohibited the grant of product patents for pharmaceuticals, allowing the same medicine to be manufactured using different processes. The public domain status of pharmaceutical products fostered the creation of a competitive generic pharmaceutical industry, leading to the marketing of identical medicines under many names. While legislative changes in 2005 allowed for product patents to align with international obligations,¹⁹ the generic pharmaceutical industry continued to thrive by manufacturing off-patent medicines or by inventing alternative formulations.

Because much of the public presumes that generic medicines are substitutes for the innovator's brand, the Indian pharmaceutical industry has developed a unique branding language for generic products, wherein brand names often incorporate common suffixes or prefixes, commonly referred to as "stems."²⁰ Stems are derived from the name of the ailment, the active ingredient of the medication, or the target organ. For example, FALCIGO and FALCITAB are trademarks for medicines sold by different companies for the treatment of cerebral malaria commonly known as "Falciparum." The prefix "FALCI" indicates the purpose of the medicine to prescribers, dispensers, and patients.²¹ Such names are easy to remember and use. The names also qualify as "trade descriptions," providing insight into the drug's fitness for a certain purpose, strength, performance, or behavior.²²

But the assumption of interchangeability of generic medicines upon which this naming technique has developed has come under significant scrutiny. While generic medicines may contain the same active ingredients, they can differ in other ingredients—such as binders, stabilizers, disintegrating agents, flavoring agents, and manufacturing techniques.²³ These differences can affect the way

¹⁹ Shamnad Basheer, *India's Tryst with TRIPS: The Patents (Amendment) Act, 2005*, 1 Indian J.L. & Tech. 22 (2005), <https://repository.nls.ac.in/ijlt/vol1/iss1/2/> (India).

²⁰ See *S.B.L. Ltd. v. Himalaya Drug Co.*, I.L.R. (1997) 2 Del. 168 at 181 (Delhi High Ct.) ("In the field of medicines and pharmaceuticals, it is common practice that the drugs are named either by the name of the organ which it treats or by the principal ingredients or the name of the ailment. This enables a doctor to associate a particular trade name with the organ, ingredient or ailment, thereby reducing chances of error."); *Usv Ltd. v. Systopic Labs. Ltd.*, (2004) 1 CTC 418 (Madras High Ct.) (citing *S.B.L. v. Himalaya Drug Co. Ltd.*, I.L.R. (1997) 2 Del. 168). Companies also use family names with prefixes common across various products sold by the same company. For example, Ciba-Geigy Ltd. uses the brand names CIBA, CIBAZOL and CIBALGIN, which indicate that all these medicines are made by Ciba-Geigy (*Ciba-Geigy Ltd. v. Torrent Labs. Pvt. Ltd.*, (1993) 1 GLR 325 (Gujarat High Ct.)).

²¹ *Cadila Healthcare Ltd.*, 5 S.C.C. at 79.

²² Trade Marks Act § 2(za).

²³ Thakur & Reddy, *supra* note 13 at ch. 6.

that the drug is absorbed by the body (bioavailability), subsequently affecting therapeutic results, including toxicity, efficacy, and side effects.²⁴

It was not until 2017 that India enacted legislation mandating bioavailability testing to establish bioequivalence of generic medicines.²⁵ But this 2017 legislation did not apply retroactively to drugs approved prior to 2017.²⁶ As a result, generic medicines may still not be interchangeable given differences in bioavailability and stability. Compounding this issue is the tendency of pharmaceutical companies to adopt similar names for different drugs. Given this reality, the language prevalent in the pharmaceutical market has increased confusion, posing serious risks to patient safety.

Another major reason for the proliferation of confusingly similar pharmaceutical trademarks in India is the limited enforcement of Section 13 of the ITMA by the ITMR. Section 13, which bars registration of marks that are identical or deceptively similar to existing trademarks or International Non-Proprietary Names (“INNs”), was designed to protect public safety by preventing sound-alike or look-alike drug names. The INN system offers a list of approved names for identification of pharmaceutical substances.²⁷ INNs provide a standardized, generic designation for active ingredients, ensuring that drugs containing the same substance are clearly identifiable regardless of brand. Its roots can be traced back to earlier trademark legislation and international best practices emphasizing that pharmaceutical marks should not endanger consumers through confusion.

However, instead of marketing pharmaceutical products under generic names, many companies seek to use and register trademarks derived from an INN and including an INN common stem.²⁸ In practice, the ITMR has often failed to rigorously apply these standards, sometimes overlooking similarities with existing INNs or previously registered marks. Combined with delays in the notification of INNs and insufficient coordination with drug regulators, this lax enforcement has allowed multiple brands with similar names to coexist in the market, heightening the risk of medication errors and undermining the protective purpose of

²⁴ *Id.*

²⁵ Drugs & Cosmetics (Ninth Amendment) Rules, 2017, Gazette of India, pt. II, sec. 3(i) (Apr. 3, 2017); Prashant Reddy, *India Makes a Long Overdue Move to Ensure Better Drug Safety*, Scroll.in (Apr. 12, 2017), <https://scroll.in/pulse/834356/india-makes-a-long-overdue-move-to-ensure-better-drug-safety> (India).

²⁶ *Id.*

²⁷ See generally Lionel Bently, *Limitations on Pharmaceutical Trade Marks in Britain in the Twentieth Century*, in Research Handbook on Trademark Limitations and Exceptions, ch. 7 at 151 (Barton Beebe & Haochen Sun eds., Edward Elgar 2023) (UK).

²⁸ K.M. Gopakumar and Nirmalya Syam, *A Study on the Use of International Nonproprietary Names in India*, Centre for Trade and Development, at 10 (2007).

Section 13. The table below contains examples of the use of INN stems for coining brand names for pharmaceuticals:²⁹

INN	Stem	Brand name
<u>gli</u> mepiride	gli-	GLIRIDE
<u>alprazo</u> lam	-zolam	ALZOLAM
epi <u>rub</u> icin	-rubicin	ALRUBICIN

Courts have held generic names of medicines (including INNs) to be commonly used words in the trade. Therefore, the adoption of a generic name of a drug or part of such a name, as a brand name, cannot result in exclusive trademark rights. These rulings have indirectly led to a proliferation of similar trademarks.

For instance, in *Griffon Laboratories (P) Ltd. v. Indian National Drug Co. P. Ltd.*,³⁰ the dispute concerned the trademarks SORBILINE and SORBITONE, both derived from the generic name “sorbitol.” The Calcutta High Court held that since many medicines were already being manufactured with the prefix “sorbi,” its use was a common practice in the medical field and could not, by itself, be said to cause confusion. Building on this reasoning, the Delhi High Court in *Panacea Biotech Ltd. v. Recon Ltd.*³¹ reaffirmed that no party can claim exclusive rights over generic terms. Thus, the trademark NIMULID, derived from “nimesulide,” could not prevent the registration of REMULIDE, also derived from the same generic name. Similarly, the Bombay High Court in *Schering Corporation v. United Biotech (P) Ltd.*,³² held that exclusivity cannot be claimed over a trademark that is derived from a generic drug name or its ingredient. By adopting such a mark, the proprietor must reasonably expect that others producing medicines based on the same generic drug may also use similar names. And where two marks are coined from the same generic drug, similarities are inevitable, and minor differences between them cannot ordinarily justify an injunction, at least at the *prima facie* stage.

These cases illustrate a consistent judicial stance—trademarks derived from generic terms or INNs cannot confer exclusivity. This makes strict enforcement of Section 13 of the ITMA by the ITMR critical. Without proactive refusal of marks that resemble or incorporate INNs, the legal safeguard remains largely ineffective, and risks of consumer confusion and patient harm persist.

²⁹ *Id* at 13.

³⁰ (1989) IPLR 9 (Calcutta High Ct.).

³¹ A.I.R 1997 Del 244 (Delhi High Ct.).

³² 2011 (1) Bom. C.R. 89 (Bombay High Ct.),

In order to mitigate these risks, regulatory solutions have been proposed, *albeit* with limited success. For instance, doctors were directed to prescribe using the medicine's INN rather than the brand name.³³ Since generic medicines are not necessarily substitutes, however, prescribers prefer prescribing brands that they have “tried and tested.” Also, practically, chemical/pharmacopeial names are not as usable and memorable as trademarks. For example, CROCIN is easier to remember than “paracetamol.” In practice, most medicines are marketed under both brand names and generic names.³⁴

Other proposals include the mandatory approval of brand names by drug regulators. The Drugs and Cosmetics Act, 1940, prohibits the sale of spurious drugs.³⁵ A drug is spurious if it is deceptively similar to another drug.³⁶ The Supreme Court of India has interpreted this provision to include medicines sold under similar trademarks.³⁷ However, the current regulatory framework does not require drug regulators to pre-approve brand names for pharmaceuticals. To fix this, the government has been urged to evaluate brand names for drugs before granting manufacturing licenses.³⁸ These suggestions remain unimplemented. As it stands, pharmaceutical companies are required only to self-certify that their chosen names are not similar, to the best of their knowledge, to any existing drug being sold in India with no regulatory oversight.³⁹

Due to the lack of regulations, pharmaceutical companies frequently engage in litigation over trademark disputes. As a result, the burden of resolving issues of confusion from similar pharmaceutical trademarks often falls upon courts and the ITMR.

³³ Press Release, Ministry of Health & Family Welfare, *Doctors Exhorted to Prescribe Generic Medicines* (July 28, 2023), <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1943658> (noting that the Medical Council of India had issued circulars dated Nov. 22, 2012, Jan. 18, 2013, and Apr. 21, 2017, directing registered medical practitioners to prescribe drugs with generic names as per the Indian Medical Council Regulations, 2002, regulation 6.3).

³⁴ See Indian Med. Council (Prof'l Conduct, Etiquette & Ethics) Reguls., 2002, reg. 6.3, Gazette of India, pt. III, sec. 4 (Apr. 6, 2002).

³⁵ Drugs and Cosmetics Act, § 17B.

³⁶ Drugs and Cosmetics Act, § 17B(b).

³⁷ *Cadila Healthcare Ltd.*, 5 S.C.C. at 94.

³⁸ *Id.* (“keeping in view the provisions of Section 17-B of the Drugs and Cosmetics Act, 1940 which *inter alia* indicates an imitation or resemblance of another drug in a manner likely to deceive being regarded as a spurious drug it is but proper that before granting permission to manufacture a drug under a brand name the authority under that Act is satisfied that there will be no confusion or deception in the market. The authorities should consider requiring such an applicant to submit an official search report from the Trade Mark office pertaining to the trade mark in question which will enable the drug authority to arrive at a correct conclusion.”)

³⁹ Drugs & Cosmetics (13th Amendment) Rules, 2019, Gazette of India, G.S.R. 828(E), pt. II, sec. 3(i) (Nov. 06, 2019).

Thus, the legal framework for pharmaceutical trademarks in India requires urgent reform to enhance clarity, protect consumer safety, and uphold the integrity of the pharmaceutical market.

III. THE EVOLUTION OF THE DOCTRINE OF GREATER CARE IN INDIA

Prior to the Supreme Court decision in *Cadila Healthcare Ltd. v. Cadila Pharmaceuticals Ltd.* in 2001 (“Cadila”), the law governing the standards of confusion for pharmaceutical trademarks lacked consistency. In the absence of clear statutory guidance, courts adopted varying approaches. Two marked approaches emerged. One was a strict approach that presumed harm due to confusion from similar trademarks and the other approach pushed back on such a presumption.

A. First Approach: The Idea of “Greater Care”

A defining moment in the evolution of trademark law in the pharmaceutical sector occurred in 1962 when a three-judge bench of the Supreme Court of India decided *Amritdhara Pharmacy v. Satyadeo Gupta* (“Amritdhara”).⁴⁰ The applicant (respondent) sought to register the trademark LAKSHMANDHARA for pharmaceutical preparations in Class 5. The appellant (opponent) opposed this application and argued that LAKSHMANDHARA was deceptively similar to its prior registered mark—AMRITDHARA in Class 5. The matter was litigated all the way to the Supreme Court of India, which ultimately agreed with the appellant and held that the two marks were similar and likely to cause confusion in the market.

The decision was predicated on a nuanced understanding of the pharmaceutical market and purchasing habits of Indian consumers. The Court noted that medicines are often acquired without prescriptions “for quick alleviation of their suffering.”⁴¹ Furthermore, the Court recognized that many Indian consumers, who may lack proficiency in English, may not understand the etymological or ideological differences between trademarks. According to the Court, consumers take trademarks as a whole and do not split names into their component parts. Therefore, consumers would not distinguish between the uncommon parts of the trademarks such as “Amrit,” which means “nectar,” and

⁴⁰ A.I.R. 1963 S.C. 449 (Supreme Ct.).

⁴¹ *Id.*, ¶ 7 (“It is not disputed before use that the two names ‘Amritdhara’ and ‘Lakahmandhara’ are in use in respect of the same description of goods, namely, a medicinal preparation for the alleviation of various ailments. Such medicinal preparation will be purchased mostly by people who instead of going to a doctor wish to purchase a medicine for the quick alleviation of their suffering, both villagers and townsfolk, literate as well as illiterate.”).

“Lakshman,” which is the name of a god. Instead, they would go by the overall structural and phonetic similarity. In its view, AMRITDHARA and LAKSHMANDHARA, taken as a whole, were phonetically and structurally similar.⁴²

Interestingly, the Supreme Court found a possibility of confusion in the marketplace but allowed the application to be registered with a limitation.⁴³ The Court allowed the limitation on equitable grounds, since the opponent had delayed in bringing action. Although this decision did not explicitly invoke the doctrine of greater care for pharmaceuticals, it implied that greater care is required in assessing similarities of marks to protect the interest of the public.

Subsequent High Court decisions followed this case, and the contours of the doctrine of greater care started to evolve. For example, *Himalaya Drug Co. v. Warner-Lambert Pharmaceutical Co.* concerned drugs with opposite clinical effects.⁴⁴ NARDYL is a tranquilizer, sold over the counter, and the other, NARDELZINE is a stimulant, sold by prescription. The potential for confusion between these two medicines could result in serious bodily harm.

In ruling on this matter, the Bombay High Court held that while the marks were phonetically and visually distinct, special circumstances warranted a stricter standard to prevent confusion. The special nature of goods such as pharmaceuticals that are unlike “articles like toys or combs or shoes or the like, in which cases confusing one mark for the other would not result in some appreciable harm, if any at all” warrant this standard.⁴⁵ For pharmaceutical products, whether prescription based or over-the-counter, “the public” requires a “greater degree of protection,” as confusion could have disastrous consequences on health.⁴⁶ The court established a presumption of harm inherent in pharmaceuticals, highlighting the vital need for clarity in this industry.

⁴² *Id.*, ¶ 7 (“Where the trade relates to goods largely sold to illiterate or badly educated persons, it is no answer to say that a person educated in the Hindi language would go by the etymological or ideological meaning and, see the difference between ‘current of nectar’ and ‘[c]urrent of Lakshman’. ‘Current of Lakshman’ in a literal sense has no meaning; to give it meaning one must further make the inference that the ‘current or stream’ is as pure and strong as Lakshman of the Ramayana. An ordinary Indian villager or townsmen will perhaps know Lakshman, the story of the Ramayana being familiar to him but we doubt if he would etymologise to the extent of seeing the so called ideological difference between ‘Amritdhara’ and ‘Lakshmandhara’.”)

⁴³ *Id.*, ¶ 13 (limitation of use only in the State of Uttar Pradesh).

⁴⁴ (1970) 72 BOMLR 528 (Bombay High Ct.).

⁴⁵ *Id.*, ¶ 15.

⁴⁶ *Id.*, ¶ 15 (“The discretion has been granted by the statute for the protection of the public. In the case of drugs and pharmaceutical products the public, the ailing public, requires a very great degree of protection and particularly so when the result of a confusion occurring would be disastrous.”)

Other High Courts mirrored this heightened standard,⁴⁷ emphasizing that phonetic similarity is the most crucial factor in determining confusion. Even a low degree of similarity warrants a presumption of harm. This strict standard of confusion is applied automatically to all pharmaceuticals, whether over-the-counter or prescribed, since prescribers and dispensers can make mistakes.⁴⁸ Courts also acknowledged that prescription medicines are often sold without written prescriptions.⁴⁹ In such cases, even for trained dispensers, visual and structural differences between words would be of little consequence.⁵⁰ Some courts applied the same standard to encompass all pharmaceuticals, regardless of their compositions or the severity of the ailments that they addressed.⁵¹

Thus, even where pharmaceutical products did not compete, courts viewed the safety risk as too high to permit any possibility of confusion. Without any damage to the plaintiff, the remedies granted were typically rooted in a concern for potential harm to the public rather than specific injury to the plaintiff. Also, this approach reduced potential harm to the ultimate consumer that confusion could have caused. Ultimately, reducing the risk to public safety was

⁴⁷ See, e.g., *Anglo-French Drug Co. (E.) Ltd. v. Belco Pharma*, 1984 S.C.C. Online P&H 205 at ¶ 17 (Punjab High Ct.) (holding that BEPLEX and BELPLEX for vitamins are visually and phonetically similar and stating, “Therefore, once the two names are deceptively similar, whether visually or phonetically, then the matter of sale of medicines on the prescription of doctors loses its significance.”); *Win-Medicare Ltd. v. Dua Pharm. (P) Ltd.*, MANU/DE/1496/1997 at ¶ 20 (Delhi High Ct.) (holding that DICAMOL and DICLOMOL for anti-inflammatory medicines are deceptively similar and that the “point of difference is so insignificant that only a person with extraordinary memory and recollection of a most meticulous and careful person would be in a position to notice the distinction or difference.”); *Charak Pharm. v. Deepharma Ltd.*, MANU/DE/0106/1998 at ¶ 10 (Delhi High Ct.) (holding ALSAREX and ULCEREX medicines for treatment of ulcers to be phonetically similar and stating, “It is not uncommon that both allopathic and ayurvedic medicines are available across the same counter in various shops of the chemists and even schedule drugs are sold by some chemists without prescription slips of the physicians. Thus, an unwary customer who goes to purchase medicine can make mistake in purchasing the medicine of the defendant under the aforesaid trade mark as that of the plaintiff because of phonetical similarity between the said two trade marks.”).

⁴⁸ Dinesh Thakur, Prashant Reddy, *India’s problem—different drugs, identical brand names*, *Hindu*, Jan. 25, 2024 (noting the reality that many pharmacists are not adequately trained or registered with the Pharmacy Council of India.)

⁴⁹ See, e.g., *Charak Pharm.*, MANU/DE/0106/1998 at ¶ 10 (Delhi High Ct.); *Himalaya Drug Co. v. Warner-Lambert Pharm. Co.*, (1970) 72 BOMLR 528 at ¶ 15 (Bombay High Ct.).

⁵⁰ *Id.*

⁵¹ *Wyeth Holdings Corp. & Anr. v. Burnet Pharm. (P) Ltd.*, A.I.R. 2008 Bom. 100 at ¶ 14A (“A less than strict standard cannot be applied on the hypothesis that the ailment which the drug is intended to treat is not life threatening, nor for that matter can the application of a lower standard be justified merely on the ground that the composition of the Plaintiff’s product is the same as that of the Defendant and the confusion caused by mistaking one for the other would not result in a danger to health. Undoubtedly, where the competing drugs are meant to cure the same ailment but the compositions are different, mistaking one for the other may result in deleterious consequences.”)

of vital importance.⁵² Despite many courts' willingness to leverage trademark law to protect consumers, instances remained where such protective measures were not uniformly applied. The next section discusses the counterarguments to the doctrine of "greater care" relative to pharmaceutical trademarks.

B. Second Approach: Pushback to the Idea of Greater Care

Seven years after the decision in *Amritdhara*, a two-judge bench of the Supreme Court addressed the issue of trademark confusion in *F. Hoffman-La Roche & Co. v. Geoffrey Manners & Co. (P.) Ltd.*⁵³ The *Roche* Court held that the trademarks PROTOVIT and DROPOVIT, both used in connection with vitamin preparations, were not similar and not likely to cause confusion among consumers.

The principles applied by the *Roche* Court differed from those in *Amritdhara*. The *Roche* Court split the marks into their component parts—"PROTO" and "VIT"; "DROPO" and "VIT." The Court observed that the common element "VIT" was commonly used in the trade for vitamins. Accordingly, consumers would focus on the "uncommon elements." Also, since there were several marks registered with the suffix "VIT," the Court presumed that consumers "would naturally be on his guard and take special care."⁵⁴ On the nature of the goods, the Court held that since vitamins could be sold only by licensed dealers, the possibility of confusion was reduced to a "considerable extent."⁵⁵

A line of High Court decisions follows *Roche*. These courts were unwilling to find similarity even where marks were evidently confusingly similar. For example, the trademarks LIV-52 and LIV-T,⁵⁶ ENERJEX and ENERJASE,⁵⁷ DISPRIN and MEDISPRIN,⁵⁸ XYMEX and XENEX,⁵⁹ and ANAFRANIL and CLOFRANIL⁶⁰ were all held to be visually and phonetically dissimilar. The courts

⁵² See Simon, *supra* note 8 (discussing public safety aspects of trademark law in the United States).

⁵³ (1969) 2 S.C.C. 716 (Supreme Ct.).

⁵⁴ *Id.*, ¶ 9 (evidence showed that there were as many as 57 trademarks on the Register with the suffix "VIT.")

⁵⁵ *Id.*, ¶ 9 ("The fact that the vendor would be a licensed dealer also reduces the possibility of confusion to a considerable extent.")

⁵⁶ *S.B.L. Ltd. v. Himalaya Drug Co. Ltd.*, MANU/DE/0311/1997 (Delhi High Ct.).

⁵⁷ *Indo-Pharma Pharm. Works Ltd. v. Citadel Fine Pharm. Ltd.*, A.I.R. 1998 Mad. 347 (Madras High Ct.).

⁵⁸ *Reckitt D Colman of India Ltd. v. Medicross Pharm. (P) Ltd.*, (1992) 3 BOMCR 408 (Bombay High Ct.).

⁵⁹ *Sami Khatib & Ors. V. Seagull Labs (I) (P) Ltd. & Ors.*, MANU/DE/1014/2001 (Delhi High Ct.).

⁶⁰ *Ciba Geigy Ltd. v. Sun Pharm. Indus.*, MANU/GJ/0002/1992 (Gujarat High Ct.).

reasoned that common features of the marks, such as “LIV” for liver; “ENER” for energy; “SPRIN” derived from aspirin; and “X” for enzyme, were considered to be generic terms prevalent in the industry. Consequently, similarity was assessed by comparing the “uncommon elements,” such as “52” and “T,” “JEX” and “JASE,” and “ANA” and “CLO.”

High Courts also attached significant weight to the expertise of prescribers and dispensers of prescription medications, presuming that harm was unlikely for prescription medicines or medicines sold by licensed dealers. These courts applied this reasoning broadly, encompassing drugs that treated similar conditions, to drugs that treated different conditions, and to different types of medications, including ayurvedic, homeopathic, and allopathic.⁶¹ Rather than presuming harm, the courts required a showing of serious consequences before establishing that confusion was likely. Similar outcomes were observed in trademark registration proceedings.⁶²

Courts and the ITMR appeared to operate under the presumption that customers know their medicines by experience or that they were accustomed to using a particular brand. However, this perspective did not address the complexities of the pharmaceutical market, including the challenges faced by first-time users, lack of brand awareness, dependency on pharmacists to recommend medicines, and the practice of purchasing medications without prescriptions often over the phone or based on poorly written prescriptions.

C. Supreme Court Clarifies: The Doctrine of Greater Care for Pharmaceuticals

In 2001, a three-judge bench of the Supreme Court in *Cadila* resolved the tension between the two approaches. *Cadila* clarified the principles to be used to assess “likelihood of confusion” for pharmaceutical trademarks.

In *Cadila*, the two trademarks in question were FALCITAB and FALCIGO. Both medicines were used in the treatment of cerebral malaria, also known as Falciparum. The appellant sued for trademark infringement. The respondent argued that the prefix “falci” is derived from the name of the disease and has been used to

⁶¹ See, e.g., *Indo-Pharma Works*, A.I.R. 1998 Mad. 347 (finding chance of confusion remote since the parties’ prescription medications were different where plaintiff’s product ENERJEX was an allopathic syrup administered to growing children and pregnant women and defendant’s product ENERJASE was an ayurvedic medicine used as anti-stress treatment).

⁶² *Samir Pharm. (P) Ltd. v. P & B Labs. (P) Ltd.*, MANU/TM/0012/1989 (Trade Marks Registry) (case concerning registration of the marks DOXETAR and DOXYTERA in Class 5. The Trade Marks Registrar held that the marks were visually and phonetically confusingly similar. However, since both medicines were prescription medicines and it was held that this would act as a safeguard against confusion in the market.)

indicate the product's intended purpose. Since the products were sold exclusively to hospitals and clinics, the respondent argued that there was no risk of confusion or deception because the hospitals and clinics were trained experts in dispensing medicines. The appellant lost both at the Trial Court and the High Court.

The Supreme Court, however, remanded the case back to the lower court for trial and introduced the "doctrine of greater care." The Court emphasized that public interest necessitates greater care when assessing likelihood of confusion involving pharmaceutical products.⁶³ Unlike non-medicinal products, harm arising from confusion between medicines could have "disastrous effects on health and in some cases life itself" since "[d]rugs are poisons, not sweets."⁶⁴ Therefore, "[e]xacting judicial scrutiny is required if there is a possibility of confusion over marks on medicinal products because the potential harm may be far more dire than that in confusion over ordinary consumer products."⁶⁵

These principles trace the line of cases that followed *Amritdhara*. The Court held that marks should be assessed as a whole. The decision disagreed with the approach of splitting marks and focusing on "uncommon elements." It recognized that the public lacks awareness and education and has limited ability to distinguish between brand names. Furthermore, the court acknowledged that prescribers and dispensers may make mistakes "[n]oting the frailty of human nature and the pressures placed by society."⁶⁶ The Court also emphasized that the realities of the market must be taken into consideration. Average consumers often purchased medicines without prescriptions and do so verbally, which increases the risk of confusion. For these reasons, the court directed lower courts and the ITMR to apply a strict standard aimed at preventing any "possibility" of confusion. While the Court clarified the likelihood of confusion assessment, it did not address the risks associated with trade descriptions or deceptive trademarks.

D. Inconsistencies Continue Post-Cadila

Even after the landmark ruling in *Cadila*, many courts still require a showing of serious consequences rather than presuming harm in cases of alleged trademark confusion. For example, in

⁶³ *Cadila Healthcare Ltd.*, 5 S.C.C. at 94. (Holding that a stricter approach to assessing confusion was to be used for medicines as compared to other products and stating "While confusion in the case of non-medicinal products may only cause economic loss to the plaintiff, confusion between the two medicinal products may have disastrous effects on health and in some cases life itself.")

⁶⁴ *Id.*, 93.

⁶⁵ *Id.*

⁶⁶ *Id.*

Schering Corporation v. United Biotech (P) Ltd.,⁶⁷ the court examined the marks NETROMYCIN and NETMICIN, both of which contained the same active ingredient and served the same purpose as antibiotics. Even without a showing of equivalence or substitutability, the Court held that mistaken consumption of one for the other would not result in serious harm. This reasoning has been similarly applied in other cases involving medicines derived from the same active ingredient and used for the same purpose.⁶⁸

More worryingly, some courts have refused to presume harm even where the medicines in question are used to treat different conditions. For example, in *Sun Pharmaceutical Industries Ltd. v. Anglo French Drugs Ltd.*,⁶⁹ the court found the marks OXETOL and EXITOL to be dissimilar and unlikely to cause confusion. Although the marks were similar, they were used to treat different conditions—one as an anticonvulsant and mood stabilizing drug and the other as a laxative. According to the court, the medicines were meant for different patient populations, which rendered confusion unlikely. Several courts have applied the same reasoning.⁷⁰

In contrast, several other cases have applied *Cadila* strictly. They have applied a presumption of harm where drugs treat the same condition and even where they do not.⁷¹

⁶⁷ 2011 (1) Bom. C.R. 89 (Bombay High Ct.).

⁶⁸ See e.g., *Usv Ltd. v. Systopic Labs. Ltd.*, (2004) 1 C.T.C. 418 (Mad. Div. Bench) (where the marks PIOZ and PIO-15 both contained the active ingredient pioglitazone to treat diabetes, the court found no serious harm could result from mistaken consumption of one for the other), and *Sun Pharm. Labs. Ltd. v. Hetero Healthcare Ltd.*, 2022 (92) PTC 536 (Delhi High Ct.) (held against a finding of confusion between LETERO and LETROZ both second—line treatments for advanced breast cancer).

⁶⁹ 2015 (63) PTC 580 (Delhi High Ct. (Div. Bench)).

⁷⁰ See, e.g., *Sun Pharm. Indus. Ltd. v. West Coast Pharm. Works Ltd. & Anr.*, 2012 S.C.C. OnLine Guj 6290 at ¶ 23-30 (Gujarat High Ct.) (While dealing with the trademarks ACICAL and ACUCAL, the Gujarat High Court ruled that the user of the two drugs was different, even the relevant material and ingredients were different, the chemical composition was different, and so were the modes of taking them, one being a chewable tablet while the other a swallowable tablet. Applying the principal laid down in *Cadila*, the court held that *prima facie* there was no similarity in both the drugs ACUCAL and ACICAL so that the same may cause confusion in the mind of the chemist or the consumer.); *Ranbaxy Labs. Ltd. v. Intas Pharm. Ltd. & Ors.*, (2011) 47 P.T.C. 433 (Delhi High Ct.) (holding that if a drug is ordered by hospital, there is no reasonable likelihood that NIFTAS would be passed off as NIFTRAN since the nurses and doctors in the hospital are always in a position to distinguish the drugs not only on account of difference in the name but also on account of packaging, price of the drugs and the form in which they are sold.).

⁷¹ See e.g., *Glenmark Pharm. Ltd v. Sun Pharma Labs.*, FAO (OS) COMM 146/2023 (Delhi High Ct., Div. Ben.) (holding ISTAMET for diabetes and INDAMET for asthma as likely to cause confusion and emphasizing the holding of *Cadila*); *Macleods Pharm. Ltd. v. Union of India*, WP 1517 of 2022 (Bombay High Ct., Div. Ben) (holding OFLOMAC and OFRAMAX medicines with different ingredients and administration methods for treating respiratory tract infections as likely to cause confusion. Public interest would support lesser degree of proof showing confusing similarity for medicinal products.); *Reddy's Labs. Ltd. v. Smart Labs. (P) Ltd.*, CS (COMM) 744/2023 (Delhi High Ct.)

IV. “GREATER CARE” AND THE UNITED STATES: A COMPARATIVE PERSPECTIVE

Developments in the United States have influenced the Indian doctrine of “greater care” for pharmaceutical products. In *Cadila*, the Supreme Court of India cited several U.S. cases where courts applied a lower standard of confusion to prevent harm in pharmaceutical disputes. In the United States, however, the Food and Drugs Administration (“FDA”) strictly regulates pharmaceutical brand names, which has reduced the situations in which courts need to invoke this doctrine in trademark disputes.

The doctrine of greater care was adopted early by the U.S. Court of Customs and Patent Appeals (“CCPA”) (the predecessor of the Federal Circuit), in *Campbell Products, Inc. v. John Wyeth & Bro., Inc.*⁷² In that case, the applicant had sought to register the mark ALUTROPIN for an oral medication, packaged in a clear glass bottle, intended to treat ulcers and gastric acidity. The opposer, owner of the registered mark ALULOTION for a lotion sold in a blue bottle for the treatment of impetigo, challenged the application on the grounds of likely confusion. The products were sold in different bottles of distinct colors and shapes, and both required a prescription. Further, FDA labelling rules also made clear distinctions between the two, and the products did not compete in the marketplace—one addressed stomach ailments, the other skin infections. Nevertheless, the CCPA denied registration, holding the marks to be confusingly similar. Central to its reasoning was the potential risk of physical harm if consumers or pharmacists confused the products: “[I]t seems to us that where ethical goods are sold and careless use is dangerous, greater care should be taken in the use and registration of trademarks to assure that no harmful confusion results.”⁷³ This case established the principle that where confusion carries a risk of physical harm, the threshold for finding confusing similarity, both in registration and infringement, is lowered.

After *Campbell*, U.S. courts increasingly applied what became known as the doctrine of “greater care,” lowering the threshold for confusing similarity where public health was at risk. For example, in *Moore v. Procter & Gamble*, confusion by intermediaries such as store clerks was enough to block registration in pharmaceutical

(holding AZIWOK and AZIWAKE both azithromycin formulations to be similar and likely to cause confusion); *Abbott Healthcare (P) Ltd. v. Glensmith Labs. (P) Ltd.*, CS (COMM) 430/2020 (Delhi High Ct.) (holding LIMCEE and LIMCEE PLUS for vitamin C tablets to be likely to cause confusion); *FDC Ltd. v. Nilrise Pharm. (P) Ltd.*, CS(COMM) 427/2022 (Delhi High Ct.) (holding ZIPOD and ZOYPOD for cefpodoxime based antibiotic and antibacterial preparations as similar and likely to cause confusion).

⁷² 143 F.2d 977 (C.C.P.A. 1944); *See also* Simon, *supra* note 8 (discussing the evolution of the doctrine of greater care in the United States).

⁷³ 143 F.2d 977 at 979 (C.C.P.A. 1944).

trademark cases.⁷⁴ Courts in prescription drug cases, such as *R.J. Strassenburgh Co. v. Kenwood Laboratories, Inc.*⁷⁵ and *Morgenstern Chemical Co. v. G.D. Searle & Co.*,⁷⁶ expanded the definition of “consumer” to include doctors and pharmacists, recognizing that even trained professionals were not infallible.

These decisions influenced the Indian Supreme Court in *Cadila*. In formulating the Indian doctrine of “greater care” for pharmaceutical trademarks, the Supreme Court cited *Morgenstern*, noting the U.S. position that even doctors and pharmacists, though highly trained, are not infallible, and that any possibility of confusion in medicines must be enjoined to prevent harm. Similarly, it cited *Syntex Laboratories Inc. v. Norwich Pharmacal Co.*⁷⁷ to show that U.S. courts recognized confusion among intermediaries such as physicians and pharmacists as actionable because the ultimate risk of harm fell on patients. Further, the court relied upon *Strassenburgh* to stress that differences in ailments treated did not eliminate the dangers of confusion in prescribing or dispensing. Persuaded by these holdings, the Supreme Court underscored that in India too, courts must apply a stricter standard of scrutiny in pharmaceutical cases.

Like in India, however, over time in the United States, courts have pushed back against this expansive approach. For instance, in *American Cyanamid v. Connaught Labs*,⁷⁸ the court compared HIB-IMUNE and HibVAX (chemically identical vaccines). The court found that mistakes could occur only through “spectacular incompetence,” and therefore refused to lower the similarity threshold where the risk of harm was minimal.⁷⁹ A few courts have rejected the doctrine outright, insisting that the Lanham Act provides no basis for heightened standards.⁸⁰ Courts and scholars, however, state that such a conclusion is false both in history and doctrine.⁸¹

Importantly, the FDA’s increased oversight in regulating pharmaceutical trademarks stands in contrast to India’s lax regulatory framework. The current Indian regulatory framework does not require drug regulators to pre-approve brand names for pharmaceuticals. As it stands, pharmaceutical companies are only required to self-certify that their chosen names are not similar, to the best of their knowledge, to any existing drug being sold in India,

⁷⁴ 193 F.2d 194 (C.C.P.A. 1951).

⁷⁵ 437 F.2d 566 (2d Cir. 1971).

⁷⁶ 253 F.2d 390 (3d Cir. 1958).

⁷⁷ 315 F. Supp. 45, 49 (S.D.N.Y. 1970).

⁷⁸ 800 F.2d 306 (2d Cir. 1986).

⁷⁹ *Id.*, 301.

⁸⁰ *Pharmacia Corp. v. Alcon Labs., Inc.*, 201 F. Supp. 2d 335, 371 (D.N.J. 2002).

⁸¹ Simon, *supra* note 8 (footnotes 199 and 200).

with no regulatory oversight. In contrast, the FDA's strict review and monitoring of brand names for drugs reduces the potential risk of similar brand names reaching the market.

The FDA's Division of Medication Error Prevention and Analysis ("DMEPA") plays a central role in this process, reviewing drug names both pre- and post-marketing to ensure that they are not likely to be confused by consumers, physicians, pharmacists, or nurses.⁸² In evaluating proposed names, DMEPA considers similarities in sound, spelling, and handwritten forms, as well as the potential consequences of errors, the prescription status of the drugs, and their relationship to existing trademarks or the company's own product line. Prescription drugs receive more rigorous evaluation than over-the-counter products, given the added risk of misinterpretation in handwritten prescriptions or verbal orders. The FDA also conducts internal testing with volunteers to assess potential confusion and issues guidance based on phonetic, visual, and handwriting factors.

Further, for generic drugs, the FDA requires evidence of therapeutic equivalence to the brand-name reference product before approval.⁸³ Generic drug names are carefully selected to avoid confusion with both the reference product and other drugs on the market. While the generic label typically includes the established or chemical name, proprietary (brand) names may still be proposed in some cases, and these undergo DMEPA review to prevent sound-alike or look-alike errors. This rigorous process, by filtering out high-risk names early, has limited the circumstances of confusingly similar pharmaceutical brand names.

V. PRACTICAL AND IMPLEMENTABLE SOLUTIONS

To ensure proper implementation of *Cadila*, courts, the ITMR, and the drug regulator in India should implement the following changes:

A. Likelihood of Confusion and Presumption of Harm in Trademark Registration and Infringement Cases

The proper application of *Cadila* requires courts and the ITMR to take greater care to prevent "any possibility" of confusion. Instead of shifting the burden of proving serious consequences, courts and the ITMR should presume harm. This presumption is important

⁸² Medication Errors Related to CDER-Regulated Drug Products (FDA), <https://www.fda.gov/drugs/drug-safety-and-availability/medication-errors-related-cder-regulated-drug-products>.

⁸³ Generic Drugs: Questions & Answers (FDA), <https://www.fda.gov/drugs/frequently-asked-questions-popular-topics/generic-drugs-questions-answers>.

given the realities of the pharmaceutical market in India, where regulation over drug names is poor and where drugs may not be substitutable.⁸⁴

The presumption should be rebuttable for drugs with the same active ingredient that also treat the same condition. If it can be proven that no harmful consequences would result from the mistaken consumption of the drug, then the presumption would be rebutted and a standard likelihood of confusion analysis would govern the use and registration of the trademark.

To rebut the presumption, evidence of bioequivalence and stability should be submitted to the court or the ITMR, as appropriate. The manufacturing and sale of generic medicines requires regulatory approvals.⁸⁵ A “no-objection certificate” obtained from the drug regulator certifying bioequivalence can serve as evidence to rebut the presumption of harm. Evidence of other factors, such as disclaimers on product packaging stating that the drug has been tested for bioequivalence and stability under the law, could also be submitted.⁸⁶

For medicines that do not treat the same condition or are contraindicated, the presumption of harm due to the use of similar names should be deemed to be conclusive. In such situations, public health demands the greatest care to prevent any possibility of confusion.

B. Greater Care in Evaluating Suitability of a Name for Trademark Protection

The ITMR should exercise caution while evaluating the suitability of a name for trademark protection. In this context, the application of the doctrine of greater care should apply even to trademark registration.⁸⁷ Since the Indian drug regulator is not legally obligated to approve brand names for pharmaceuticals, the responsibility to prevent confusion falls on the ITMR:

1. Deceptive Names and False Trade Descriptions

While courts and the ITMR have considered “likelihood of confusion,” they have often failed to consider whether pharmaceutical trademarks are “false trade descriptions” or

⁸⁴ *Supra* Part II.

⁸⁵ Drugs and Cosmetics (Ninth Amendment) Rules, 2017, Gazette of India, pt. II, sec. 3(i) (Apr. 3, 2017).

⁸⁶ See Dinesh Thakur & Prashant Reddy, *India’s Problem—Different Drugs, Identical Brand Names*, Hindu (Jan. 25, 2024) (noting that regulatory changes should be implemented to require pharmaceutical companies to disclose bioequivalence and stability testing on labels and packaging).

⁸⁷ *Amritdhara* and *Roche* (applying the same standards of confusion both to registration and infringement proceedings in order to protect consumers from harmful consequences).

deceptively misleading trademarks. Under the ITMA, any description or indication⁸⁸ that is materially untrue or misleading as to the purpose, strength, performance, or behavior of any drug or food qualifies as a “false trade description.”⁸⁹ Several pharmaceutical brand names that use similar suffixes or prefixes may mislead consumers regarding the medicine’s particular purpose. For example, LIV-X may suggest that the drug is used to treat liver ailments when it may treat heart ailments.⁹⁰ In such cases, names should be evaluated strictly to ensure that they are not “false” or “deceptive.” Greater care is warranted in these situations as well.⁹¹

2. Strictly Enforcing the Bar on Registering Marks Similar to INN

The ITMR should enforce Section 13 of the ITMA strictly and reject trademarks that are similar to INNs.⁹² INNs provide a standardized, generic designation for active ingredients, ensuring that drugs containing the same substance are clearly identifiable regardless of brand. The requirements of Section 13 are important to safeguard the public against sound-alike marks that could pose a risk to patient health. To enhance protection, the ITMR should exercise its *suo-moto* powers under the ITMA⁹³ to issue notices to trademark holders and give them an opportunity to justify why their marks are not deceptively similar to an INN or are not false or deceptively misleading.

⁸⁸ Trade Marks Act § 2(za)(iii) (“trade description” means any description, statement or other indication, direct or indirect, [. . .] (iii) as to fitness for the purpose, strength, performance or behavior of any goods, being “drug” as defined in the Drugs and Cosmetics Act, 1940 (23 of 1940), or “food” as defined in the Prevention of Food Adulteration Act, 1954 (37 of 1954)).

⁸⁹ Trade Marks Act § 2(i)(I) (“false trade description” means “(I) a trade description which is untrue or misleading in a material respect as regards the goods or services to which it is applied”).

⁹⁰ LIV-X is a fictitious brand name used for illustrative purposes only. In the absence of Indian discussions on materiality thresholds, materiality discussions in the United States may be instructive. See Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 Stan. L. Rev. 413, 415–16, 428, 433, 448, 453–54 (2010); Mark P. McKenna, *Testing Modern Trademark Law’s Theory of Harm*, 95 Iowa L. Rev. 63, 67–68 (2009); Rebecca Tushnet, *Running the Gamut from A to B: Federal Trademark and False Advertising Law*, 159 U. Pa. L. Rev. 1305, 1305 (2011).

⁹¹ Simon, *supra* note 8; Trade Marks Act § 103 (penalty for applying false trade descriptions is imprisonment and fine).

⁹² Trade Marks Act § 13(b) (“[N]o word . . . which is declared by the World Health Organisation and notified in the prescribed manner by the Registrar from time to time, as an international non-proprietary name or which is deceptively similar to such name, shall be registered as a trade mark and any such registration shall be deemed for the purpose of section 57 to be an entry made in the register without sufficient cause or an entry wrongly remaining on the register, as the circumstances may require.”).

⁹³ Trade Marks Act § 57(4).

Despite the protective intent of Section 13, a persistent challenge in India is that up-to-date listings of INNs are not provided in a timely manner. Delays in the publication of INNs mean that trademark examiners and applicants lack up-to-date guidance on which names are already recognized, increasing the risk that new pharmaceutical trademarks could inadvertently resemble existing INNs. Timely notification and integration of INNs into the trademark examination process would strengthen the preventive function of Section 13 and better align Indian practice with international standards for pharmaceutical safety.

3. Regulatory Review of Drug Names and Coordination Between Agencies

The approval of drug brand names by the drug regulator is extremely essential to prevent the marketing of spurious or misleading drugs, as highlighted in cases such as *Cadila*. The drug regulator must be required to pre-approve drug names rather than the existing framework of self-certification. Further, a centralized database of approved drug brand names, maintained by the drug regulator, would facilitate coordination with the ITMR, ensuring that trademarks for pharmaceutical products do not conflict with existing names. The drug regulator should also maintain and publish an online list of medicines that have passed bioequivalence and stability tests along with the corresponding brand name medicines.⁹⁴ This system would function similarly to the coordination between company names and trademark registration under the Companies Act, 2013, allowing for comprehensive oversight of both commercial identity and public safety. Such a mechanism would help prevent confusion in the market, reinforce consumer protection, and strengthen the regulatory framework for pharmaceuticals in India.

C. Updating the Trade Marks Manual

To guide practitioners and applicants, the Trade Marks Manual should clarify that pharmaceutical trademarks will be reviewed with greater care. Even a low degree of similarity between marks should result in objections, thereby shifting the burden onto the applicant to prove otherwise. To overcome objections, the applicant should provide evidence of bioequivalence such as laboratory certificates confirming bioequivalence. Moreover, the ITMR must reject marks that are similar but treat different conditions. For marks that indicate a drug's purpose, strength, or performance, especially those derived from active ingredients, ailments, or organ names, the ITMR must evaluate their accuracy. If a name is likely

⁹⁴ See Truth Pill, *supra* note 13 at ch. 10.

to mislead the public, the ITMR should reject it as deceptive or false. The manual should also clarify that applicants must provide a detailed description of the drug's purpose and indications. This will correct the existing practice of applying for marks with catch-all descriptions like "pharmaceuticals and medicinal products" in Class 5.⁹⁵ Furthermore, the ITMR should enforce Section 13 strictly and reject trademarks that are similar to INNs.⁹⁶

D. Labelling

In India, proper labelling and advertising of pharmaceuticals play a critical role in protecting patient safety, particularly with regard to bioequivalence. Manufacturers must be required to disclose whether a generic drug is therapeutically equivalent to the reference product, helping healthcare providers and consumers make informed decisions. Clear disclosure on labels and advertisements ensures that prescribers, pharmacists, and patients can distinguish between bioequivalent and non-bioequivalent products, minimizing the risk of therapeutic errors.

VI. CONCLUSION

The development of the doctrine of "greater care" in India to assess likelihood of confusion between pharmaceutical trademarks is relatively recent and has been marked by inconsistencies. Until 2001, Indian courts occasionally applied the idea of "greater care" in infringement and registration proceedings for pharmaceutical trademarks. While some courts applied a stricter standard to prevent confusion in this market, others refused to do so, leading to differences in perception of purchasing habits, awareness, education levels, and market realities. In 2001, the Supreme Court of India ironed out these tensions by ruling in favor of a stricter standard or "greater care" for assessing confusion between pharmaceutical trademarks. However, inconsistencies in applying *Cadila* continue even today.

The proper application of *Cadila* requires several changes. Courts, the ITMR, and the drug regulator need to take greater care to prevent "any possibility" of confusion in the pharmaceutical market. This heightened level of care is important and necessary given the complexities of the pharmaceutical market in India. Even today, it is possible that generic medicines are not in fact substitutable. Furthermore, the use of similar names for medicines that treat different conditions warrants robust protective measures.

In addition, not only should greater care apply to assessing likelihood of confusion, but it should also extend to evaluating the

⁹⁵ *Vishnudas Trading*, A.I.R. (1997) 4 S.C.C. 201 at 224.

⁹⁶ Trade Marks Act § 13(b).

suitability of a mark for trademark protection. Given the naming conventions adopted by the pharmaceutical industry, names routinely indicate the drug's purpose, strength, or performance. If these indications are materially false or misleading, they should not be registered and their use should carry penalties as prescribed under the ITMA.

Courts and the ITMR should implement these principles of greater care by presuming harm for pharmaceutical trademarks that are even slightly similar. The presumption should be a rebuttable one for drugs that treat the same condition and conclusive for drugs that are meant for different purposes. Changes in evidentiary requirements and the Trade Marks Manual can be made to implement this doctrine. These changes are in line with the spirit of the ITMA, which focuses not only on protecting commercial interests but also on public health and safety.

CERTIFICATION MARK PITFALLS: MANAGING
PROBLEMS OF GENERICNESS, DESCRIPTIVENESS, AND
CONSUMER PERCEPTION*

By *B. Brett Heavner*** and *Caroline G. Segers****

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** Partner, Finnegan, Henderson, Farabow, Garrett & Dunner, LLP, Washington, D.C., Member, International Trademark Association.

*** Incoming Trademark Associate, Finnegan, Henderson, Farabow, Garrett & Dunner, LLP, Washington, D.C., Member, International Trademark Association.

I. INTRODUCTION

Today's consumers often want independent verification that the products and services that they purchase are safe, environmentally friendly, high quality, geographically authentic, or otherwise possess a characteristic that the consumer desires. To meet this consumer expectation, some individuals and businesses seek to have their products and services certified by a testing laboratory, trade association, or authoritative body (collectively, "certifiers") to verify that they have that desired characteristic. Such certifiers typically use certification marks to verify that the goods or services they have tested meet the consumers' desired characteristics.

To show consumers that their products and services have been so verified, businesses are licensed by the certifier to display the certifier's certification mark on the products, packaging for the products, and in advertising. In other words, the certification mark functions as a special type of trademark that is used not to identify the source (i.e., the brand) of a product or service, but rather to show consumers that the products and services, or their providers, have met certain standards or have the desired characteristics.¹

Because consumers trust, rely upon, and may even prefer products or services with certification marks, certifiers often invest significantly in their certification programs. Thus, it is critical that certifiers ensure that they have full and exclusive control over the use of their certification marks. To do this, the certifier should register its certification mark with the U.S. Patent and Trademark Office ("USPTO"). However, certifier applicants often face difficult challenges at the USPTO that are less likely to be encountered by applicants for traditional trademarks. Specifically, because certification marks are designed to communicate to consumers a characteristic of the product that was verified by the certifier, the certification mark often contains generic wording that states or describes that characteristic (e.g., "green" for goods proven to be safe for the environment or "flame resistant" for goods that have been proven not catch fire easily). U.S. trademark law completely denies exclusivity (and hence registration) to marks that consist solely of generic terms, and allows exclusivity for descriptive terms only after consumers have been shown to associate those terms with a specific owner, or a single source. Further, the certification mark must be used in a way that demonstrates to relevant consumers that it performs a *verification* function and is not simply an assertion of the desired characteristic. Many certification marks are refused registration, in whole or in part, because they consist largely of generic or descriptive wording, or otherwise fail to indicate a verification function to consumers.

¹ Certification mark applications, USPTO, <https://www.uspto.gov/trademarks/apply/certification-mark-applications> (last visited Aug. 22, 2025).

Nevertheless, certifiers can implement a number of strategies to assist them in overcoming these obstacles. This article analyzes recent cases and provides insight into the use of these strategies at the USPTO and in U.S. courts.

II. THE PERILS OF GENERICNESS

A generic term is used to identify the genus or category of a product or service itself² (e.g., “car” is generic for ROLLS ROYCE and “beverage” is generic for COKE). Because everyone needs to be free to use generic terms, they are ineligible for registration at the USPTO, both as normal trademarks and certification marks.³ The test for whether a given term is generic is determined by “whether members of the relevant public primarily use or understand the term sought to be protected to refer to the genus of goods or services in question.”⁴

Oftentimes, the certifier is essentially verifying that the product is actually what it claims to be. However, there is a very fine distinction between whether the certifier is verifying a characteristic of the product, or whether the certifier is attempting to verify the genus of the product itself. The former is protectable as a certification mark, while the latter is not. Two recent cases involving cheeses and liquor illustrate how the certifier’s ability to establish exclusive rights to its certification mark turns on this fine distinction.

A. What Is Gruyere Cheese?

Historically, gruyere (or Gruyère or Gruyere) cheese has been produced in specific regions of Switzerland and France and has been defined by being made “from the unpasteurized milk of cows that graze on alpine grasses,” and the resulting cheese then “goes through a rigorous aging and production process.”⁵ Although both Switzerland and France have designated “Gruyère” as a protected geographic designation and restricted its use to cheeses originating from the specific Swiss and French Gruyere regions, the United States has no such geographic restriction on the term “gruyere.”⁶ Indeed, the U.S. Food and Drug Administration’s (“FDA”) simply defines “gruyere” as “a cheese containing ‘small holes or eyes,’ ‘a

² USPTO v. Booking.com B.V., 591 U.S. 549, 554-57 (2020).

³ 5 U.S.C. § 1054; see CES Publishing Corp. v. St. Regis Publications, Inc., 531 F.2d 11, 13 (2d Cir. 1975) (allowing trademark protection for a generic term would enable one to monopolize the term since competitors could not describe their goods as what they are).

⁴ Interprofession du Gruyère et al. v. U.S. Dairy Export Council, 61 F.4th 407, 412 (4th Cir. 2023) (quoting H. Marvin Ginn Corp. v. Int’l Ass’n of Fire Chiefs, Inc., 782 F.2d 987, 989-90 (Fed. Cir. 1986)).

⁵ *Id.*

⁶ *Id.*

mild flavor, due in part to the growth of surface-curing agents,' that is aged a minimum of ninety days, and has a 'minimum milkfat content [of] 45 percent by weight of the solids and [a] maximum moisture content [of] 39 percent by weight.'" ⁷ Due to this, cheese can be labeled as "gruyere" in the United States, regardless from where it was originally produced. ⁸

Unhappy with the FDA's approach to the term "gruyere," the Interprofession du Gruyère ("IDG"), a Swiss consortium, and Syndicat Interprofessionnel du Gruyère ("SIG"), a French consortium (together, "the Consortiums"), sought to impose the European geographic restrictions on the term "gruyere" (or preferably "Gruyere") within the U.S. marketplace. In 2015, the Consortiums filed an application with the USPTO to register the word "GRUYERE" as a certification mark. ⁹ The U.S. Dairy Export Council, Atalanta Corporation, and Intercibus, Inc. (collectively "the opposers"), opposed this application, in part on the basis that American consumers view the term "gruyere" as a type or genus of cheese, rather than as a reference to a particular geographic location where the cheese is produced. ¹⁰

Ultimately, the USPTO's Trademark Trial and Appeal Board ("TTAB" or "Board") and, subsequently, the U.S. federal courts, determined as a matter of U.S. law that the term "gruyere" is generic and cannot be registered by the Consortiums. ¹¹

In determining how the relevant U.S. public understands the term "gruyere," the Board and the courts relied upon several critical types of evidence that together supported a finding of genericness. The FDA standard for "gruyere," while insufficient standing alone to establish genericness, informed the analysis because it has governed the U.S. labelling of gruyere cheese since 1977 and impacts U.S. customers' expectations about gruyere cheese. ¹² Further, the opposers demonstrated that, beyond domestic production, "hundreds of thousands of pounds of cheese produced outside the Gruyère region of Switzerland and France [were] imported into the United States and sold in the United States labeled as GRUYERE." ¹³

Finally, although the dictionary definitions of "gruyere" were deemed inconclusive, a large volume of media and other public references showed that "gruyere" was a type of cheese and not a

⁷ *Id.* at 417 (quoting 21 C.F.R. § 133.149).

⁸ *Id.* at 412.

⁹ *Id.* at 411.

¹⁰ *Id.* at 414.

¹¹ *Id.* at 414-15, 425-26.

¹² *Id.* at 418-19.

¹³ *Id.* at 420-22 (internal quotations omitted).

geographic region of origin for such cheese, thus supporting a conclusion that that “gruyere” is generic in the United States.¹⁴

B. What Is Tequila?

Tequila is a spirit historically produced in Mexico made by fermenting agave. To protect this association, Consejo Regulador del Tequila, A.C. (“Consejo”), a non-profit civil association that is the “only body accredited and approved to evaluate the NOM [Mexican official Standard] of the tequila,”¹⁵ sought to register “tequila” as a certification mark for “distilled spirits; specifically, spirits distilled from the blue tequilana weber variety of agave plant.”¹⁶ Consejo’s certification states that “(1) the goods are manufactured in Mexico from a specific variety of the blue agave plant grown in certain regions of Mexico as defined by Mexican law and standards; (2) the goods are manufactured in Mexico in compliance with Mexican law and standards including fermentation, distillation, aging, the percentage of blue agave sugars, and physical-chemical specifications; and (3) the finished product is or contains within it the goods manufactured in accordance with (1) and (2) above.”¹⁷

Luxco, Inc. (“Luxco”) imported a spirit called “tequila” into the United States from Mexico in bulk and sold a finished product to other distributors.¹⁸ Luxco opposed the registration of Consejo’s certification mark on several grounds, including the ground that “tequila” is generic.¹⁹

The Board determined that “tequila” is not generic after reviewing several different types of evidence provided by Consejo.

First, the Board considered the federal regulations governing tequila. Of particular importance, in 1973, the U.S. Bureau of Alcohol, Tobacco and Firearms (now the Alcohol and Tobacco Tax and Trade Bureau (“TTB”)) “recognized Tequila as a distinctive product of Mexico.”²⁰ The amendment stated that “Tequila” “may not be used commercially in the United States to describe any product not manufactured in Mexico in compliance with the applicable laws of that country.”²¹ The Board deemed it probative,

¹⁴ *Id.* at 423-25.

¹⁵ *Luxco, Inc. v. Consejo Regulador del Tequila, A.C.*, 121 U.S.P.Q.2d 1477, 1480 (T.T.A.B. 2017).

¹⁶ *Id.* at 1479.

¹⁷ *Id.*

¹⁸ *Id.* at 1480.

¹⁹ *Id.*

²⁰ *Id.* at 1484.

²¹ *Id.*; *see also* 27 C.F.R. § 5.148 (“Tequila must be made in Mexico, in compliance with the laws and regulations of Mexico governing the manufacture of Tequila for consumption in that country.”).

though not dispositive, that “TTB has classified Tequila as a distinctive product of Mexico.”²²

The Board also looked at dictionary definitions of “tequila” and third-party registrations of “TEQUILA,” where it determined seven of the eight definitions in the record specifically referred to Mexico.²³ Additionally, though the third-party registrations were required to disclaim the exclusive right to use the term “Tequila” on the ground that it was generic, all the registrants for marks consisting of the word “Tequila” were approved by Consejo as “selling authentic Tequila.”²⁴

Next, the Board analyzed the advertising and marketing of “Tequila,” much of which “deliberately creates an association with Mexico.”²⁵ The Board also noted that while some advertising may not stress the significance of geographic origin, this fact is not probative of whether consumers view a liquor called “tequila” as a beverage that comes from Mexico.²⁶

After considering the vast amount of evidence, the Board reasoned that “a term that identifies a category of spirit would not be generic if it also serves to identify geographic origin.”²⁷ Based on the evidence, including the advertising and brand names establishing an association with Mexico, the requirement that every bottle’s label includes the statement “Product of Mexico” or “Hecho in Mexico,” and Consejo’s survey results that demonstrated 55.4% of respondents believe that “Tequila” is made in Mexico, there was a strong showing that “Tequila has significance as a designation of geographic origin.”²⁸ Thus, the Board dismissed the opposition and held that the opposer had not sustained its burden to show that “tequila” is generic.²⁹

C. The Importance of Evidence in Genericness Cases

The above cases demonstrate the importance of the types of evidence a certifier should introduce at the TTAB. Not only is the type of evidence important, but also the amount of evidence that should be produced. The two above cases demonstrate the highly factual nature of determining whether a purported certification mark is generic. In both cases, the parties submitted evidence from dictionaries, consumer surveys, FDA standards of identity, USDA

²² *Luxco*, 121 U.S.P.Q.2d at 1485.

²³ *Id.* at 1486.

²⁴ *Id.* at 1487.

²⁵ *Id.* at 1489.

²⁶ *Id.*

²⁷ *Id.* at 1497.

²⁸ *Id.*

²⁹ *Id.*

tables, and extensive third-party evidence of use. All of this evidence was weighed by the Board (and in one case, the courts) to determine how the relevant public views the certification mark, and whether those consumers view the mark as identifying a specific geographic origin. While the Consortiums' evidence failed to convince the Board that "gruyere" was a protectable certification mark, Consejo successfully demonstrated through various types of evidence that its certification mark was an identifier of geographic source.

Additionally, a survey can help a certifier demonstrate how the relevant public views the certification mark. This evidence can bolster the certifier's argument that its mark is not generic by providing concrete proof that the public associates the mark with a specific geographic region. Consejo was able to demonstrate through the survey that the relevant public did not view its certification mark as generic, while the Consortiums' lack of survey evidence impaired its ability to show how the public viewed "gruyere." This evidence can be used in conjunction with the dictionary definitions and representations in the media to highlight the consumer perception of the mark.

One way for a certifier to protect its mark is to register a certification mark for a logo. While the Consortiums' word mark GRUYERE was held to be generic when presented in standard typeface, the Interprofession du Gruyère previously was able to register a logo version of the certification mark, with graphical elements shown below:



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In this registration, "SWITZERLAND" and "AOC" are disclaimed; however, because of this registration, only cheese that originates in the Gruyère region of Switzerland can use the above certification mark. Thus, although the Consortiums failed to register a certification mark for all Gruyère-type cheeses in the United States, one of the Consortiums is empowered to designate cheeses sold in the United States that originate in Switzerland by way of the above logo version of the certification mark.

Finally, the cases demonstrate that evidence introduced relating to third parties using the alleged certification mark can have an important impact on the genericness analysis by the TTAB. Of course, control of the certification mark is an independent factor to

³⁰ LE GRUYÈRE SWITZERLAND AOC, Registration No. 4,398,395.

be considered, but depending on the usage, it can also reveal how the consuming public views the certification mark. When comparing the third-party uses of “gruyere” and “tequila,” the important analysis for both the Board and the court was whether the owner of the certification mark controlled those uses. Specifically, though Luxco alleged many third-party uses of “tequila,” Consejo was able to prove that it approved each of these uses, and that the users adhered to its guidelines. On the other hand, the U.S. Dairy was able to provide evidence of third-party uses of “gruyere” that the Consortiums were unable to control or prevent. Evidence of control over the use of the mark was an important element in demonstrating whether the consuming public identifies the certification mark with a singular source (in these instances, a particular geographic region).

In the recent case of *USPTO v. Booking.com B.V.*, the Supreme Court determined that “[a] term styled ‘generic.com’ is a generic name for a class of goods or services only if the term has that meaning to consumers.”³¹ The Supreme Court disagreed with the Board’s and the appellate court’s decision denying registration on the basis that “Booking.com” is necessarily generic merely because “booking” relates to making travel reservations and “.com” signifies a commercial website.³² Instead, the Supreme Court determined that the genericness analysis hinges on “whether that term, taken as a whole” identifies a source for the product to the consumers.³³ *Booking.com* demonstrates that a mark composed entirely of generic terms might be non-generic as a whole if consumers recognize it as functioning as a source identifier, or—of importance here—as a verification of certification. This analysis would likely require the certifier to conduct a survey of the relevant purchasers.

III. MANAGING DESCRIPTIVENESS ISSUES

A second issue that often confronts certifiers when trying to register their certification marks is the refusal to register due to the marks being merely descriptive of the goods or services. A merely descriptive trademark is one that “immediately conveys knowledge of a quality, feature, function, or characteristic of the goods or services with which it is used.”³⁴ Of course, since many certification marks are designed to indicate a quality standard or a unique geographic origin, certifiers must be mindful of this obstacle and be intentional in their applications.

³¹ *USPTO v. Booking.com B. V.*, 591 U.S. 549, 551 (2020).

³² *Id.* at 554-60.

³³ *Id.* at 557.

³⁴ *In re Nat’l Ass’n of Veterinary Technicians in Am.*, 2019 U.S.P.Q.2d 269108, *2 (T.T.A.B. July 19, 2019) (precedential).

As demonstrated by the cases analyzed below, certifiers can attempt to avoid these problems by submitting sufficient evidence that the applied-for mark is not merely descriptive, by proving acquired distinctiveness, or by adding a design or disclaimer to the certification mark.

A. Describing Professional Qualifications

A particular challenge for certifiers seeking to register a mark related to professional qualifications is that they use phrases that are merely descriptive of the services they provide. The National Association of Veterinary Technicians in America, Inc. (the “applicant”) sought registration as a certification mark of “VETERINARY TECHNICIAN SPECIALIST” for “veterinary medicine services.”³⁵ The certification mark was intended to certify that “an individual has completed the required curriculum of a defined body of veterinary technology knowledge pertinent to that particular specialty.”³⁶

The examining attorney refused registration of the mark under Section 2(e)(1), finding the mark “merely descriptive of the identified services, and included an advisory that the mark appears to be generic.”³⁷ Specifically, the Board determined that “VETERINARY TECHNICIAN” is descriptive of the services, as a “veterinary technician” is “the recognized name of a type of professional who participates in such services.”³⁸ The applicant’s own materials also referred to “veterinary technicians” in a generic or descriptive way, by stating that “Veterinary Technician Specialists (VTS) are expert level veterinary technicians.”³⁹ Moreover, various third parties also descriptively or generically refer to “veterinary technician.”⁴⁰ For example, there are scholarly programs that offer a veterinary technician program or job search websites that offer veterinary technician positions.⁴¹ Then, when looking to “SPECIALIST,” the Board once again determined that the applicant’s own certification statement uses “specialty” in a descriptive manner to mean “one who specializes in a particular occupation, practice, or branch of learning.”⁴² The examining attorney also included third-party registrations that included

³⁵ *Id.* at *1.

³⁶ *Id.*

³⁷ *Id.* at *2. Note that the genericness refusal was never added, even though the examining attorney gave the advisory.

³⁸ *Id.* at *3.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² *Id.* at *3.

“SPECIALIST” in the medical context, including some certification marks.⁴³ However, most of these marks that included “SPECIALIST” disclaimed the word and were on the Supplemental Register, further providing evidence that “SPECIALIST” is generic.⁴⁴ The Board concluded that “VETERINARY TECHNICIAN” and “SPECIALIST” are not inherently distinctive in this context, and even when combined, still do not evoke a different, distinctive commercial impression.⁴⁵

The applicant disagreed with the examining attorney’s findings, and claimed that its mark had acquired distinctiveness.⁴⁶ To support its claim, the applicant relied on a declaration by its Executive Director, as well as one article, another publication, and various third-party websites.⁴⁷ The Board considered the issue of secondary meaning, stating that, for certification marks, the focus “is on whether the evidence shows that in the minds of consumers of the applied-for goods or services, the primary significance of the designation is to indicate certification of the goods or services, *i.e.*, that the goods or services meets certain standards set by the applicant.”⁴⁸ In this instance, the applicant bore a high evidentiary burden because the proposed certification mark was highly descriptive.⁴⁹ The applicant included evidence of (apparently exclusive) use since 1995, the existence of sixteen users who are certified by the applicant, and examples of their webpages and promotional materials.⁵⁰ The Board determined that the applicant had not met its burden to show that “users of veterinary medicine services have come to recognize the applied[] for mark as indicating that the person performing the services has met certain standards set by Applicant . . . in connection with the services.”⁵¹ Notably, the Board remarked that the existence of certified users was insufficient to show acquired distinctiveness, and the Board could not assume that the webpages and promotional materials had been widely disseminated to consumers.⁵²

Thus, the Board affirmed the refusal to register the certification mark “VETERINARY TECHNICIAN SPECIALISTS” for being merely descriptive of the applicant’s services.

⁴³ *Id.* at *4.

⁴⁴ *Id.*

⁴⁵ *Id.* at *5.

⁴⁶ *Id.* at *1, 5.

⁴⁷ *Id.* at *1.

⁴⁸ *Id.* at *5.

⁴⁹ *Id.* at *6.

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.*

B. Describing Positive Characteristics

Certification marks are also commonly used to describe a positive characteristic of a good or service. This could include a product being eco-friendly, or claims that the product or service avoids certain chemicals. In one case, the would-be certifier was promoting the mark “CERTIFIED GORILLA FRIENDLY” “to certify that the goods and services will be grown, rendered, handled, delivered and processed in accordance with ecological and conservation farming and sustainable tourism guidelines and standards,” and it would be used, for example, on various field crops, handicrafts, hotel services, travel agencies, and recreational parks.⁵³



The examining attorney refused registration on the grounds that the applicant failed to disclaim “CERTIFIED GORILLA FRIENDLY” because the wording is merely descriptive of the identified goods and services in relation to the applicant’s certification activities.⁵⁴

The applicant made four arguments that the wording was not merely descriptive: (1) “GORILLA FRIENDLY” does not have a meaning that is understood by the public; (2) “GORILLA FRIENDLY” is “ambiguous” when applied to the applicant’s goods and services; (3) “GORILLA” and “FRIENDLY” are incongruous and therefore cannot be merely descriptive; and (4) other third-party marks with “FRIENDLY” have been registered without a disclaimer.⁵⁵

The Board addressed each of the applicant’s arguments in turn. First, the Board determined that “a term may be merely descriptive even if Applicant is the first or only user of it.”⁵⁶ Second, the Board determined that, in light of the applicable definitions, “consumers would immediately understand GORILLA FRIENDLY to convey that the goods and services subject to Applicant’s certification mark

⁵³ In re Wildlife Friendly Enter. Network, 2017 WL 1476294, *1 (T.T.A.B. Mar. 23, 2017) (non-precedential).

⁵⁴ *Id.*

⁵⁵ *Id.* at *5.

⁵⁶ *Id.*

are deemed to be beneficial to, compatible with, or accommodating of gorillas.”⁵⁷ Third, the Board was unpersuaded by the incongruity argument. The Board noted that, regardless of the way gorillas are portrayed in media, the descriptive terms “gorilla” and “friendly” retain their descriptive significance in relation to the applicant’s certification activities.⁵⁸ As to the final argument, the Board noted that while “friendly”-formative marks have often been treated by the TTAB as merely descriptive, “third-party registrations do not determine the outcome here.”⁵⁹

The Board affirmed the refusal to register “CERTIFIED GORILLA FRIENDLY” under Section 2(e)(1). The Board did note, however, that the decision would be set aside if, within thirty days of the order, the applicant submitted a disclaimer stating that “[n]o claim is made to the exclusive right to use ‘CERTIFIED GORILLA FRIENDLY’ apart from the mark shown.”⁶⁰ The applicant ultimately complied with the Board’s requirement to disclaim “CERTIFIED GORILLA FRIENDLY,” and the mark was published in the Official Gazette.⁶¹ The application has since been abandoned, as the applicant failed to file its statement of use.⁶²

C. Avoiding Descriptiveness Refusals

The descriptiveness of a certification mark, as related to the certified goods and services, is yet another pitfall that certifiers should seek to avoid. However, though the marks in the above cases failed to avoid this trap, there are several tactics that can be used to help bolster an applicant’s certification mark. The sections below discuss possible avenues to avoid a descriptiveness refusal or rebut the presumption that the certification mark is descriptive.

1. Selecting an Arbitrary or Suggestive Certification Mark

Of course, the best way to avoid the pitfalls relating to secondary meaning or a refusal based on the mark being merely descriptive is to choose a mark whose wording is arbitrary or suggestive. Because certification marks face the same requirements as normal trademarks, selecting words that are fanciful, arbitrary, or suggestive will help streamline the registration process. Certifiers

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ *Id.* at *6.

⁶⁰ *Id.* at *8.

⁶¹ Publication & Issue Review Complete, CERTIFIED GORILLA FRIENDLY, U.S. Trademark Application Serial No. 86/694,394 (Apr. 26, 2017).

⁶² Notice of Abandonment, CERTIFIED GORILLA FRIENDLY, U.S. Trademark Application Serial No. 86/694,394 (Aug. 31, 2020).

have successfully registered marks such as LEED GOLD for building environmental standards,⁶³ ETL INTERTEK for product safety standards,⁶⁴ or ENERGY STAR for energy efficiency standards.⁶⁵ Though some of the words in the above marks have been disclaimed, such as “gold” and “energy,” the certifiers were able to successfully register the certification mark by selecting words that were not necessarily associated with the qualities or characteristics being certified. Thus, a certifier can avoid many, if not all, of the issues of genericness and descriptiveness simply by being creative with the selection of the words and images used and avoiding wording and images that immediately convey what has been certified.

2. Proving Acquired Distinctiveness Under Section 2(f)

An alternative way to overcome descriptiveness, which was attempted by the applicant for “VETERINARY TECHNICIAN SPECIALIST,” is to provide evidence that demonstrates acquired distinctiveness under Section 2(f).⁶⁶ By providing evidence of acquired distinctiveness, an applicant may register an otherwise descriptive mark. When arguing that the proposed certification mark has acquired distinctiveness, the applicant needs to take into account the strength of its mark and the quantity of evidence needed to prove its case. Evidence demonstrating secondary meaning can include (a) evidence of longstanding use as part of the certification service, (b) advertising and promotion figures, (c) unsolicited press coverage and recognition in the trade, (d) evidence of employer expectations, and (e) consumer surveys.⁶⁷ Thus, the certifier should ensure that the evidence submitted to the USPTO demonstrates a clear picture that the public does associate the mark with the certifier.

3. The Use of Graphics and Disclaimers of Descriptive Wording

Another way to avoid a Section 2(e)⁶⁸ merely descriptive refusal is to add a design to the certification mark and/or a disclaimer of the merely descriptive matter. As discussed above in connection with *In re Wildlife Friendly Enterprise Network*, if the applicant disclaimed “CERTIFIED GORILLA FRIENDLY,” the Board was willing to set

⁶³ LEED GOLD, U.S. Registration. No. 3,953,334.

⁶⁴ ETL INTERTEK, Registration No. 6,216,885).

⁶⁵ ENERGY STAR, Registration No. 6,406,228.

⁶⁶ 15 U.S.C. § 1052(f).

⁶⁷ TMEP §§ 1212.06 (a)–(d).

⁶⁸ 15 U.S.C. 1052(e).

aside the refusal to register. A disclaimer can be used when a portion of the mark is merely descriptive of the goods or services at issue, but the mark contains otherwise registrable subject matter.⁶⁹ Thus, the certification mark could issue as a registration with “CERTIFIED GORILLA FRIENDLY” disclaimed, even without a finding of acquired distinctiveness.

Additionally, the drawing used in the “CERTIFIED GORILLA FRIENDLY” mark helped distinguish the certification mark. By adding a drawing and/or a disclaimer, an applicant can sufficiently distinguish its mark from others in the field. However, using a drawing consisting of a generic symbol for the goods or services (such as the universal chasing arrow symbol for recyclable goods) will not avoid a descriptiveness or genericness problem.⁷⁰

Many certification marks face the issue of being merely descriptive of their goods or services. Because of this, applicants need to be cognizant of the type and quantity of evidence needed to rebut this presumption. Moreover, an applicant should consider whether its mark has acquired distinctiveness under Section 2(f), or if that avenue is unavailable, an applicant should consider adding a drawing and/or a disclaimer to its certification mark.

IV. CERTIFICATION MARKS MUST FUNCTION TO VERIFY DESIRED CHARACTERISTICS

A third way that certification mark applications often meet their end is because the “certification mark” functions more as a title or degree of individual achievement. In many of these cases, the standards that the certifier supplies to the USPTO must be more than a curriculum, and failure to supply the USPTO with appropriate standards results in the mark’s refusal. The following cases demonstrate instances in which the certifier failed to meet the USPTO’s standards.

A. Specimens Indicating a Title

The phrase “certified software manager” does not mean much to the average person beyond its role as a title of employment. However, in 1994, the Software Publishers Association sought to register “CERTIFIED SOFTWARE MANAGER” as a certification mark for “software asset and licensing management,” which was to be used to certify that individuals passed an examination and met the certifier’s standards for software asset and licensing management.⁷¹ The examining attorney refused to register the

⁶⁹ In re Wildlife Friendly Enter. Network, 2017 WL 1476294, *8 (T.T.A.B. 2017).

⁷⁰ U.S. examining attorneys often require disclaimer of such universal symbols. E.g., U.S. Reg. Nos. 5719264, 6596462, 4992504, 6939848, and 3582571.

⁷¹ In re Software Publishers Ass’n, 69 U.S.P.Q.2d 2009, *1 (T.T.A.B. 2003).

proposed mark as a certification mark because “software manager” is “commonly used to refer to someone who manages the use of software for a company.”⁷²

In 1999, the applicant sought to amend “CERTIFIED SOFTWARE MANAGER” to the Supplemental Register,⁷³ and included three specimens (all of which were photocopies of a certificate).⁷⁴



This application was also refused by the examining attorney, notably because the proposed mark “merely designates a title or degree and does not function as a certification mark.”⁷⁵ The examining attorney also raised several issues with the specimens, namely, that the specimen (1) does not show examples of use by a party authorized by the certifier, and (2) the specimens do not show certification services, but instead only show the proposed certification mark for educational or training services.⁷⁶

The applicant then submitted a photocopy of the Board’s decision in a related application, which included specimens of decals and blank certificates.⁷⁷ The applicant argued that these specimens were accepted by the Board in that instance, and should therefore be accepted in the present case.⁷⁸ The examining attorney disagreed, refused registration, and determined that “the specimens [did] not show use of CERTIFIED SOFTWARE MANAGER as a

⁷² *Id.*

⁷³ A descriptive mark may be registered on the Supplemental Register without having acquired distinctiveness, provided it is “capable of distinguishing applicant’s goods or services.” 15 U.S.C. § 1091.

⁷⁴ *In re Software Publishers Ass’n*, 69 U.S.P.Q.2d 2009 at *2.

⁷⁵ *Id.*

⁷⁶ *Id.*

⁷⁷ *Id.* at *4.

⁷⁸ *Id.*

certification mark, but instead it is only used to identify a title or degree on the certificate.”⁷⁹

The Board reasoned that “[i]n order for an applicant to obtain registration of a certification mark it should be clear from the record that the circumstances surrounding the use and promotion of the mark will give certification significance to the mark in the marketplace.”⁸⁰ The Board determined that the only evidence demonstrating the use of “CERTIFIED SOFTWARE MANAGER” is the specimen that was submitted by the applicant.⁸¹ Thus, the only way to determine if the mark is being used as the applicant contends is based on how purchasers or potential purchasers would view the use as demonstrated by the specimen.⁸² The Board agreed with the examining attorney that the language on the specimen *Software Publishers* discussed “merely indicates that the holder has been awarded the title or degree of ‘Certified Software Manager’ and is not likely to be perceived by the relevant purchasers as a certification mark.”⁸³ As such, the Board affirmed the examining attorney’s refusal to register “CERTIFIED SOFTWARE MANAGER” because it was used as a title instead of a certification mark.

B. Specimens Successfully Demonstrating Function as a Certification Mark

In contrast to *Software Publishers* discussed above, The Council on Certification Anesthetists successfully demonstrated that CRNA functioned as a certification mark.⁸⁴ The Council sought to authorize “that the person is a registered nurse who has met certain predetermined and objective standards and requirements for providing such nurse anesthesia services.”⁸⁵

The examining attorney refused registration on the ground that the “use of the designation CRNA on the specimens of record conveys only the commercial impression of a title or degree and,

⁷⁹ *Id.*

⁸⁰ *Id.* at *6.

⁸¹ *Id.* at *7. The Board also noted that the applicant did not submit a copy of its standards, as required. Thus, the record did not indicate whether people using the certification mark met any sort of standard.

⁸² *Id.*

⁸³ *Id.*

⁸⁴ In re The Council on Certification of Nurse Anesthetists, 85 U.S.P.Q.2d 1403, 1404 (T.T.A.B. 2007) (precedential). Note that the refusal to register on the ground that CRNA does not function as a certification mark and is generic was reversed; however, the refusal to register on the ground that the mark is merely descriptive and failed to demonstrate acquired distinctiveness was affirmed.

⁸⁵ *Id.* at 1405.

thus, does not function as a certification mark.”⁸⁶ The applicant’s specimens included copies of literature, including the handbook, as shown below, competency assessment models, and guidelines, and caps, aprons, pins, and promotional sheets bearing the CRNA mark.⁸⁷ Additionally, the applicant submitted a certificate that is awarded to certified registered nurse anesthetists, which states “Jane Doe, CRNA having satisfied the requirements for Certification as prescribed by The Council on Certification of Nurse Anesthetist is now entitled to recognition as a Certified Registered Nurse Anesthetist.”⁸⁸

The Board disagreed with the examining attorney and determined that the sample certificate, brochure, and literature all indicated that CRNA does serve as a certification mark.⁸⁹ The Board remarked that “[t]he CRNA designation, when used by a nurse anesthetist certified by applicant, serves to certify a characteristic of anesthesia services performed by him/her, namely that the services are being performed by a person who meets certain standards and tests of competency set by applicant, an indication that the nurse anesthesia services being performed are of the highest quality.”⁹⁰ The Board noted that the certificate uses the CRNA designation in conjunction with the wording “having satisfied the requirements. . . .”⁹¹ This combination of words is portrayed in a way that the ultimate recipients of the service (i.e., the patients who receive the care of a nurse anesthetist) understand that there are requirements that need to be met in order to use the CRNA phrase.⁹² The Board did note that the baseball cap, apron, badge, pin, and shoelaces merely functioned as evidence of the applicant’s promotion of its mark, but failed to demonstrate how the ultimate recipients of the services would perceive the mark, nor did it indicate what the term identified.⁹³

C. Using Proper Specimens

Specimens in applications to register certification marks are incredibly important. As such, the certifier should be intentional in selecting specimens, to ensure that they provide sufficient documentation to show how the ultimate public will view the certification mark. Of particular importance is submitting evidence

⁸⁶ *Id.*

⁸⁷ *Id.* at 1406-07.

⁸⁸ *Id.* at 1407.

⁸⁹ *Id.* at 1409-1410.

⁹⁰ *Id.* at 1410.

⁹¹ *Id.*

⁹² *Id.*

⁹³ *Id.*

that demonstrates how the ultimate recipient of the services will perceive the certification mark. Software Publishers Association failed to take this step, and also failed to show the certification mark in a way that was used in a manner beyond a title. On the other hand, The Council provided sufficient evidence to show how the public would see the CRNA mark, including certificates and brochures intended to be displayed in a lobby,⁹⁴ and the certification went beyond the title of someone's employment.

In providing sufficient specimens, and specimens that demonstrate how the public views the certification mark, the certifier can streamline the application process and avoid needless complications.

V. CONCLUSION

As shown by the above cases, there are pitfalls that certifiers can avoid, especially when filing their application and during enforcement. Particularly important to the Board's analysis of genericness and descriptiveness is the evidence provided by each party. Thus, whenever a certifier is filing an application, it should be cognizant of the evidence they provide and ensure that it demonstrates that the certification mark is not merely descriptive. Additionally, during the application process, the certifier should provide specimens that demonstrate how the certification mark is ultimately perceived by the relevant consuming public. Moreover, should the application be opposed or eventually litigated, the certifier needs to provide sufficient evidence to demonstrate that the relevant public views the certification mark as an indicator that the goods have been verified by the certifier to meet its standards, rather than simply as a class of goods.

Though the TTAB has been critical of certification marks in recent years, *Booking.com* demonstrates that combining two descriptive or generic words does not necessarily mean that the resulting composite mark is merely descriptive or generic. This further highlights the importance of the evidence provided by the certifier in these cases to demonstrate that, while two words may be merely descriptive or generic standing alone, they can be combined in a way that the public perceives as identifying the certifier as the origin of the certification program.

Overall, the determination of whether a certification mark is generic or descriptive is a highly fact-intensive question. The evidence provided in these instances is often the tipping point in whether the examining attorney, the Board, or a district court views the certification mark as indicating that the goods have been verified or tested by the certifier. As such, the certifier should be

⁹⁴ *Id.* at 1407.

intentional about the evidence submitted to support their position and how to refute a claim of genericness or descriptiveness.

**SCOPE OF PROTECTION OF WEAK MARKS
IN THE EUROPEAN UNION—
ANALYSIS OF THE CASE LAW OF THE
EUROPEAN UNION COURTS***

*By Jeroen Muyldermans** and Paul Maeyaert****

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** Partner, Fencer, Member, International Trademark Association.

*** Partner, Fencer, Member, International Trademark Association.

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I. INTRODUCTION

The likelihood of confusion test in European trademark law is dependent upon a number of factors, one of the most important being the degree of distinctiveness of the senior mark. Trademarks with an inherent or enhanced distinctive character enjoy a larger scope of protection. Weak trademarks enjoy a more limited scope of protection.

This article discusses the effects of a weak mark in the global appreciation of likelihood of confusion based on the case law of the General Court and the Court of Justice of the European Union (the “EU”). It examines what appears to be an evolving shift in the courts’ approach—from more lenient to becoming stricter—in respect of the protection of senior weak marks against junior marks that contain the same or similar weak component.

II. WHAT IS A WEAK MARK?

A. Different Categories of Trademarks

The exclusive rights of a trademark owner are an exception to freedom of competition. Those rights are therefore not absolute. They do—or should—not go beyond what is necessary to protect the essential origin-indicating function of the trademark.¹ This function of indicating origin presupposes that the trademark enables the consumer to see in the marked product or service a guarantee of origin and quality, coming from a single undertaking.² This is the so-called distinctive character of a trademark. The requirement of distinctive character aims to reconcile the fundamental interests of trademark protection and those of the free movement of goods in the EU in a way that trademark law can fulfil its role as an essential part of the so-called “system of undistorted competition.”³

The distinctive character of a mark, or a component thereof, must be examined by reference to how it is understood and perceived by the relevant public and by reference to the goods or services covered by the trademark.⁴ Typically, in that context, one identifies the following categories of trademarks:

¹ Judgments of 12 November 2002, *Arsenal Football Club v Reed*, C-206/01, EU:C:2002:651, ¶ 51; of 25 January 2007, *Adam Opel v Autec*, C-48/05, EU:C:2007:55, ¶ 21; and of 16 November 2004, *Anheuser-Busch Inc. v Budějovický Budvar, národní podnik*, C-245/02, ¶ 59; see J. Muyldermans & P. Maeyaert, *The Likelihood of Confusion in Trademark Law: A Practical Guide to the Case Law of EU Courts*, 31 et seq.

² Judgment of 25 October 2007, *Develey Holding v OHIM (shape of a bottle)*, C-238/06 P, EU:C:2007:635, ¶ 79.

³ Judgment of 23 February 1999, *BMW v Deenik*, C-63/97, EU:C:1999:82, ¶ 62.

⁴ Judgments of 20 September 2023, *Procter & Gamble v EUIPO (Safeguard)*, T-210/22, EU:T:2023:574, ¶ 33; of 2 March 2022, *Distintiva Solutions v EUIPO (Makeblock)*, T-86/21, EU:T:2022:107, ¶ 38; of 11 April 2019, *Adapta Color v EUIPO (ADAPTA POWDER COATINGS)*, T-223/17, EU:T:2019:245, ¶ 69; of 4 March 2010, *Monoscoop v*

- fanciful or so-called “coined” marks: this type of mark consists of a made-up word or phrase with no pre-existing meaning. It is a novel term created specifically to function as a brand identifier. These marks are considered the strongest type, as a novel term presents no connection whatsoever to goods or services’ characteristics and is therefore considered most apt to function inherently, regardless of any subsequently acquired distinctiveness or reputation, as a brand identifier. Well-known examples are marks such as XEROX, GOOGLE, ROLEX, or PEPSI.
- arbitrary marks: this type of mark consists of a word (or words) that exist(s) in an official language but is (are) used for goods or services that are completely unrelated to the meaning of the word. Prominent examples are APPLE for computers, AMAZON for retail services, or DOVE for personal care products.
- suggestive marks: this type of mark hints at or suggests the nature of a product or service or one of its characteristics without actually or directly describing those. They require some imagination or mental analysis to connect them to the goods or services. These marks possess an inherent element of sales appeal, as they will require less education of the public compared to coined or arbitrary marks. For this reason, generally, suggestive marks are inherently entitled to less extensive protection. Examples of suggestive marks are AIRBUS for airplanes, FACEBOOK for social media services, or KITCHENAID for household appliances.
- descriptive marks: this type of mark consists exclusively of signs that directly describe the goods or services, or any of its characteristics, such as its geographical origin, ingredients, intended use, benefits, or other qualities. Examples include AMERICAN AIRLINES for airline services or DYNAMIC SUPPORT for running shoes.
- generic marks: these are marks that are, in everyday language, the common name for a product or service, or that have become such a common name over time, even if those marks were fanciful inherently. Examples are the words “TRAMPOLINE,” “ZIPPER,” or “ESCALATOR,” which previously were registered trademarks but became generic.

To ensure the operation of a system of undistorted competition, third parties must remain free to use signs in commerce that serve to indicate characteristics of goods or services. That presupposes that descriptive or generic terms cannot be monopolized.

Trademarks that are exclusively made up of generic or descriptive terms will therefore not be registered and have no scope of protection, unless they acquire secondary meaning, which means that because of the long-lasting and intense use of the mark, consumers have come to identify the descriptive term as denoting a single commercial origin. This article does not seek to discuss under what conditions such trademarks are eligible for registration. Rather, against the backdrop of fair competition, it examines the effects of weakly distinctive components of a registered mark on that mark's scope of protection.

B. A Weak Mark Is Necessarily Suggestive or Includes Descriptive Components

It follows that the term “weak mark” or “weakly distinctive mark” is not as such a legal term, nor is it an autonomous concept of EU law that lends itself to a uniform interpretation by the General Court or the Court of Justice of the European Union (together the “EU Courts”). The term is a collective term derived from case law and legal doctrine to describe trademarks that contain components to a greater or lesser extent that make them less capable of fulfilling the essential origin function of the trademark. Under EU trademark law, and in particular for EU trademarks governed by the EU Trade Mark Regulation,⁵ a sign lacks distinctiveness when it is by its nature incapable of indicating a single undertaking and thus of enabling the consumer to repeat the purchase experience, if it was positive, or avoid it, if it was negative.⁶ By virtue thereof, weak distinctiveness covers a very broad category of signs, of which descriptive signs are only one, albeit the most prominent, example.⁷ Without being exhaustive, the following categories of so-called weak marks will be illustrated in this article.

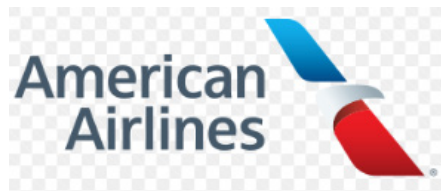
A first category of weak marks is those consisting of non-distinctive or descriptive words, word and device elements, or purely device elements that are dominant in the mark, but where the marks are considered valid *in their entirety* because of the *addition* of (often subordinate) distinctive word and/or device elements. Components of a registered mark are descriptive where, in normal use, they show a sufficiently direct and concrete relationship to the goods or services in question from the point of view of the consumer,

⁵ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union Trade Mark (“EUTMR”), *OJ L* 154 of 16 June 2017, 1-99.

⁶ Judgments of 5 December 2002, *Sykes Enterprises v OHIM (REAL PEOPLE, REAL SOLUTIONS)*, T-130/01, EU:T:2002:301, ¶ 18; and of 21 March 2014, *FTI Touristik v OHIM (BIGXTRA)*, T-81/13, EU:T:2014:140, ¶ 14.

⁷ Judgment of 12 February 2004, *Campina Melkunie v Benelux-Merkenbureau (BIOMILD)*, C-265/00, EU:C:2004:87, ¶ 19.

so that the consuming public is able to perceive in them immediately and without further thought a description of the goods and services, or of one of their characteristics, rather than a reference to their commercial origin.⁸ That is true if a sign can indicate a characteristic of the goods in question by at least one of its potential meanings.⁹ Signs that *may* serve to designate a characteristic of the goods or services must be readily recognizable, which in turn implies that the sign will actually be recognized by the relevant group of persons as describing one of those characteristics.¹⁰ The characteristic must therefore be objective and inherent to the nature of the product or service in question, for the consumer to perceive it immediately and without further thought as indicating a characteristic of the product or service.¹¹ A term like “American Airlines” can therefore be considered descriptive inherently, as it directly describes to consumers that the company operating under that trademark offers airline services in or from the American continent.



When a dominant element of a composite mark has been found descriptive, the question is whether simply adding a minor distinctive word sign or some stylization to the descriptive words is sufficient to lift the descriptive meaning. While in the early days of EU trademark law, a mark was considered not entirely descriptive as long as it had a single distinctive element, the threshold has become higher. Recent case law has found that adding figurative elements to a descriptive or non-distinctive word element is insufficient where those figurative elements, because of their limited size, position, or banal character, are unable to outweigh the descriptive message of the mark as a whole. Thus, as an example, the General Court refused to accept that the figurative elements of the trademark CERTIFIED were able to divert the relevant public's

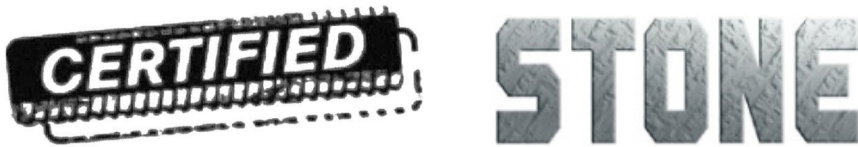
⁸ Judgments of 7 July 2011, *Cree v OHIM (TRUEWHITE)*, T-208/10, EU:T:2011:340, ¶ 14; of 14 May 2013, *Uniste v. OHIM (fluege.de)*, T-244/12, EU:T:2013:243, ¶ 18.

⁹ Judgments of 23 October 2003, *EUIPO v Wm. Wrigley Jr. Co. (DOUBLEMINT)*, C-191/01 P, EU:C:2003:579, ¶ 32; and of 12 February 2004, *Campina Melkunie v Benelux-Merkenbureau (BIOMILD)*, C-265/00, EU:C:2004:87, ¶ 38.

¹⁰ Judgment of 10 March 2011, *Agencja Wydawnicza Technopol v OHIM (1000)*, C-51/10 P, EU:C:2011:139, ¶ 50.

¹¹ Judgment of 6 September 2018, *Bundesverband Souvenir—Geschenke—Ehrenpreise e.V. v EUIPO (NEUSCHWANSTEIN)*, C-488/16P, EU:C:2018:673, ¶ 44.

attention from the descriptive and laudatory message conveyed by the word “certified” in relation to, inter alia, repair services for vehicles.¹² The same was true where figurative elements, because of their conceptual content, reinforced the descriptive meaning, such as the figurative execution of the word “STONE” in a stylization that mimics natural stone, in relation to, inter alia, “casseroles.”¹³ The addition of graphic elements will therefore make the mark overall distinctive only if it can create an immediate and lasting impression that exceeds the descriptive or banal meaning of the word element.¹⁴



A second category of weak marks consists of the so-called suggestive marks, as described at Section II.A. above. Where the link between the sign and the characteristic is sufficiently vague, indefinite, and subjective, so that a consumer does not “reasonably” expect to see in it immediately and without further thought a description of the goods or service,¹⁵ those marks are eligible for trademark protection. They often possess a certain originality or resonance, requiring at least some interpretation by the relevant public, or setting off a cognitive process in the minds of that public.¹⁶ Suggestive words can also be accompanied by figurative elements, further distinguishing those marks in commerce. The term “NETFLIX,” for instance, in relation to streaming services of, inter alia, films and series requires some imagination to link the word “net,” short for network or Internet, with “flicks”:

¹² Judgments of 21 May 2015, *Mo Industries v OHIM (Splendid)*, T-203/14, EU:T:2015:301, ¶ 27; of 9 July 2014, *Pågen Trademark v OHIM (giffjar)*, T-520/12, EU:T:2014:620, ¶ 25-26; of 8 May 2024, *Daimler Truck v EUIPO (CERTIFIED)*, T-436/23, EU:T:2024:289, ¶ 31.

¹³ Judgment of 31 May 2016, *Warimex v EUIPO (STONE)*, T-454/14, EU:T:2016:325, ¶ 41.

¹⁴ Judgments of 9 April 2019, *Zitro IP v EUIPO (PICK & WIN MULTISLOT)*, T-277/18, EU:T:2019:230, ¶ 38; of 11 October 2023, *Biogena v EUIPO (THE GOOD GUMS)*, T-87/23, EU:T:2023:617, ¶ 38.

¹⁵ *See, generally*, judgments of 31 January 2001, *Sunrider v OHIM (VITALITE)*, T-24/00, EU:T:2001:34, ¶ 24; of 9 October 2002, *Dart Industries v OHIM (UltraPlus)*, T-360/00, EU:T:2002:244, ¶ 27; of 12 January 2005, *Deutsche Post EURO EXPRESS v EUIPO (EUROPREMIUM)*, T-334/03, EU:T:2005:4, ¶ 32; of 2 December 2008, *Ford Motor v OHIM (FUN)*, T-67/07, EU:T:2008:542, ¶ 33; of 7 June 2023, *Aprile and Commerciale Italiana v EUIPO—(DC Comics (bat in an oval frame))*, T-735/21, EU:T:2023:304, ¶ 51; of 11 October 2023, *Biogena v EUIPO (THE GOOD GUMS)*, T-87/23, EU:T:2023:617, ¶ 25; and of 6 December 2023, *bet365 Group v EUIPO (bet365)*, T-764/22, EU:T:2023:783, ¶ 64-70.

¹⁶ Judgment of 21 January 2010, *Audi v OHIM (Vorsprung durch Technik)*, C-398/08 P, EU:C:2010:29, 57.

NETFLIX

In the third place and independent of linguistic considerations, basic geometric shapes such as a circles, squares, or pentagons will often be considered very weak (at most). Such signs are by their nature overly simple and thus are not in themselves capable of conveying a message regarding commercial origin that consumers will be able to remember.¹⁷ In most cases, when forming part of registered marks, those figurative components will be perceived as ornamental or decorative. Similarly, purely figurative marks are often endowed with a low degree of distinctive character as well. That is because the average consumer is more likely to refer to the goods or services by quoting a word than by describing the trademark's figurative element.¹⁸ In most cases, while such device marks will be considered valid in their entirety, their distinctiveness follows from the concrete representation of certain device elements and their configuration:¹⁹



¹⁷ Judgments of 22 June 2017, *Biogena Naturprodukte v EUIPO (ZUM wohl)*, T-236/16, EU:T:2017:416, ¶ 51; of 29 September 2009, *The Smiley Company v OHIM* (figurative mark consisting of a half smiley), T-139/08, EU:T:2009:364, ¶ 26; of 15 December 2016, *Novartis v EUIPO* (figurative mark consisting of a gray and green curve), joined cases T-678/15 & T-679/15, EU:T:2016:749, ¶ 38; of 12 September 2007, *Cain Cellars v OHIM* (figurative mark consisting of a pentagon), T-304/05, EU:T:2007:271, ¶ 22; of 20 July 2017, *Basic Net v EUIPO* (figurative mark consisting of three colored bands), T-612/15, EU:T:2017:537, ¶ 35-36.

¹⁸ Judgment of 6 December 2013, *ECOFORCE*, T-361/12, EU:T:2013:630, 32; Judgment of 15 December 2009, *TRUBION*, T-412/08, EU:T:2009:507, 45; Judgment of 15 January 2008, *AMPLITUDE*, T-9/05, EU:T:2008:8, 39; Judgment of 22 February 2006, *Figurative mark QUICKY*, T-74/04, EU:T:2006:60, 50; Judgment of 14 July 2005, *SELENIUM-ACE*, T-312/03, EU:T:2005:289, 37; Judgment of 23 October 2002, *Fifties*, T-104/01, EU:T:2002:262, 47; Judgment of 22 May 2008, *Presto! Bizcard Reader*, T-205/06, EU:T:2008:163, 53-54.

¹⁹ Judgments of 14 November 2019, *Nestlé v EUIPO* (figurative mark representing the shape of a human figure on an escutcheon), T-149/19, EU:T:2019:789, 29; of 19 April 2023, *Zitro Int'l v EUIPO* (figurative mark representing a smiley wearing a top hat), T-491/22, EU:T:2023:203, 49.

A final example of weak marks are single letter marks. While, at least on the EU level, single letter marks were generally refused for lack of distinctiveness, the Court of Justice of the European Union set that practice aside. In the *ALPHA* case, it held that for a single letter sign with no graphic modifications to have the minimum degree of distinctive character and be registered as a trademark, it is not necessary to find a specific level of linguistic or artistic creativity or imaginativeness. What is required is that the single letter is capable of distinguishing the commercial origin of the different goods and services under that sign, which depends on a case-by-case assessment:²⁰



Therefore, the current practice is that even where a letter is not stylized or is only slightly stylized or where the other figurative elements of the sign in question are not striking, a single letter generally has a minimum distinctive character, unless it conveys a meaning in relation to the commercial field in question (e.g., “e” for electronic or electric goods).²¹

C. The Perception of the Relevant Public in the EU

Whether a trademark is suggestive or contains descriptive components depends on the perception of consumers and of the goods or services covered by the marks (see above, Section II.B). That requires identifying the relevant public from a territorial and, accordingly, a linguistic point of view. The EU trademark system installed by the EUTMR is an autonomous trademark system that exists in parallel to the EU Member States’ national trademark systems.

Conflicts not only arise between EU trademarks independently, but also between EU trademarks and national marks. That is reflected in Article 8.2 EUTMR, according to which the “earlier trademarks,” which can be relied on against a junior EU trademark application include not only “EU trademarks,” but also trademarks registered in a Member State with effect for a Member State under international arrangements, which enjoy priority over the opposed

²⁰ Judgment of 9 September 2010, *EUIPO v BORCO* (figurative mark ‘α’), C-265/09 P, EU:C:2010:508, 38-39.

²¹ Judgments of 16 December 2015, *CareAbout v OHIM* (Kerashot), T-356/14, EU:T:2015:978, 44, and of 20 July 2017, *Diesel v EUIPO* (Representation of a curved and angled line), T-521/15, EU:T:2017:536, 60 and 61.

EU trademark.²² This means that, from a territorial perspective, a very diverse range of trademark rights can be held against the application for or registration of an EU trademark.

In all those cases, the relevant public is, territorially, the lowest common denominator. If the senior mark is a *national mark* registered in a Member State, the consumer's perception must be examined by reference to that territory. For instance, if the earlier national mark is registered in Italy or Spain, the relevant consumer will be the average Italian or Spaniard. If, by contrast, the earlier trademark is an EU trademark, the perception of the conflicting trademarks must be examined by assessing the view of consumers in the entire EU.²³ In that case, it is sufficient that the likelihood of confusion exists only in part of the EU for the application to be refused. Given the EU trademark has a unitary character, confusion (and thus the ground for refusal) in a substantial or clearly determined part of the EU prevents the valid registration of the EU trademark altogether.²⁴

Because of cultural, social, economic, and especially linguistic differences between the Member States, a word mark's component that is devoid of distinctive character or descriptive of the goods or services concerned in one Member State is not necessarily so in another Member State.

- A well-known example is the successful opposition based on the Spanish mark "DOGHNUTS" [sic] against the application for registration of the EU word mark "BIMBO DOUGHNUTS", both in relation to bakery products "especially doughnuts" in class 30. Since Spanish consumers do not know the English word "doughnuts", the word retains an independent distinctive place in the junior mark leading to similarity and, remarkably, confusion on the part of the Spanish public.²⁵

- In another well-known case, the owner of the senior Spanish word mark "MATRATZEN" successfully opposed the junior application for registration of the EU composite mark containing the word 'matratzen' (German for 'mattresses'), in relation to inter alia 'mattresses' and 'beds'

²² Judgment of 5 May 2011, Figurative mark OLYMP, T-204/09, EU:T:2011:196, 7; Judgment of 15 April 2010, EGLIFRUIT, T-488/07, EU:T:2010:145, 24.

²³ Judgment of 21 April 2010, Fitcoin, T-249/08, EU:T:2010:151, 24; Judgment of 23 September 2009, ALFONSO, T-291/07, EU:T:2009:352, 63.

²⁴ Judgment of 15 December 2010, GASOLINE, T-380/09, EU:T:2010:521, 40; Judgment of 1 March 2005, ENZO FUSCO, T-185/03, EU:T:2005:73, 33; Judgment of 6 October 2004, NLSPORT, NLJEANS, NLACTIVE and NLCollection, joined cases T-117/03, T-119/03, and T-171/03, EU:T:2004:293, 34; Judgment of 23 October 2002, Figurative mark MATRATZEN, T-6/01, EU:T:2002:261, 59.

²⁵ Judgment of 8 May 2014, Bimbo v OHIM (BIMBO DOUGHNUT), C-591/12 P, EU:C:2014:305, ¶ 27.

in class 20. The General Court held that the Spanish consumers were unfamiliar with the German word ‘Matratzen’ and therefore perceived it as distinctive and, moreover, dominant in the opposed trademark, leading to a likelihood of confusion between those marks.²⁶



Although this article will primarily address examples in case law of weak marks with suggestive or descriptive elements in English, the same conclusions, of course, apply to other languages (like the German word “Matratzen”).

D. Even a Weak Mark Has a Certain Scope of Protection

The basic rule in the EU is that an overall *minimum* level of distinctiveness is sufficient for national or EU trademarks to be validly registered.²⁷ It is therefore common for signs with minimal distinctiveness to be registered as trademarks. This was certainly true in the early days of the EU trademark system, when examination on absolute grounds by the EU Intellectual Property Office (the “EUIPO,” formerly “OHIM” or the “Office for Harmonization in the Internal Market”) was not as stringent as it is today. The same applies to national offices responsible for examining national marks on distinctiveness, including descriptiveness. Some of these offices, including the Benelux Office for Intellectual Property,²⁸ did not examine trademarks on absolute grounds until the mid-nineties when national trademark laws in the EU were harmonized with the implementation of the subsequent

²⁶ Judgment of 23 October 2002, *Matratzen Concord v OHIM (MATRATZEN)*, T-6/01, EU:T:2002:261, ¶ 38.

²⁷ Judgments of 7 February 2024, *Polaroid v EUIPO* (representation of a square placed in a rectangle), T-591/22, EU:T:2024:66, ¶ 23; of 27 February 2002, *Eurocool Logistik v OHIM (EUROCOOL)*, T-34/00, EU:T:2002:41, ¶ 39; of 14 May 2019, *Eurolamp v EUIPO* (*EUROLAMP* pioneers in new technology), T-466/18, EU:T:2019:326, ¶ 19; of 3 April 2019, *Medrobotics v EUIPO* (*See more. Reach more. Treat more.*), T-555/18, EU:T:2019:213, ¶ 23; of 28 June 2017, *Colgate-Palmolive v EUIPO (AROMASENSATIONS)*, T-479/16, EU:T:2017:441, ¶ 19.

²⁸ Judgment of 6 May 2003, *Libertel Groep v Benelux Merkenbureau*, C-104/01, EU:C:2003:244, 13.

Trademark Directives.²⁹ Adding to the number of weak marks is the fact that the EU trademark system installed by the EUTMR operates entirely independently from national trademark systems of the EU Member States. As a consequence, refusal of a weak EU trademark by the EUIPO does not automatically lead to refusal of the same mark for the same goods and services by a national office, or vice versa. While the principles of equal treatment and sound administration require the EUIPO to take into account decisions already made in similar cases and consider with special care whether to decide in the same way or not, those principles must also be consistent with respect to legality. Accordingly, anyone applying for registration of a sign cannot rely to his or her advantage and in order to secure an identical decision, on a trademark registration made in error.³⁰ As long as these so-called “weak marks” remain registered, either as a national mark or an EU trademark, they cannot be considered entirely non-distinctive. Thus, as the following two examples demonstrate, they enjoy a *certain* scope of protection:

The F1-case involved oppositions based on various senior national word marks covering the sign F1 against the junior EU trademark application for the composite mark F1-LIVE, inter alia, for “magazines, pamphlets, books; all the aforesaid goods relating to the field of formula 1” in Class 16, and “communication and dissemination of books, magazines and newspapers via computer terminals; all the aforesaid services relating to the field of formula 1” in Class 38:



The General Court rejected the opposition, because of a lack of similarity between the marks. It held that the term “F1” had a purely descriptive function in the junior mark, as referring to

²⁹ Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trademarks, *OJ L* 40, 11 February 1989, p. 1-7, as replaced by recast Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks, *OJ L* 336, 23 December 2015, p. 1-26.

³⁰ Judgments of 10 March 2011, *Agencja Wydawnicza Technopol v OHIM* (1000), C-51/10 P, EU:C:2011:139, 73-77, and of 14 December 2018, *Dermatest v EUIPO* (ORIGINAL excellent dermatest), T-803/17, EU:T:2018:973, 58-59; and of 7 April 2025, *Skechers v EUIPO* (HANDS FREE FIT), T-254/24, not published, 61-63.

(Formula 1) motor racing in general.³¹ On appeal, the Court of Justice annulled that decision, considering that the General Court had wrongly assumed that the identical senior mark was generic, too. In doing so, the General Court had exceeded the limits of its powers, since the validity of a senior national or EU trademark relied upon, however weak, cannot be called into question in opposition proceedings. This case shows that, however weak the senior mark, it cannot be denied any distinctive character nor, accordingly, any protection whatsoever.³²

Another case concerned the conflict between various senior national marks covering the word “KOMPRESSOR” in relation to, inter alia, “washing machines” in Class 7 and a junior EU trademark application for a composite mark including the word “compressor technology,” in relation to, inter alia, control apparatus for household equipment in Class 9:



The Court of Justice, exceptionally sitting in Grand Chamber, further expanded on the *F1* case. It emphasized the co-existence of EU trademarks with national marks and the principle that neither registration nor review of national marks falls within the competence of the EUIPO. Since the validity of a national mark cannot be challenged before the EUIPO, the latter must attribute at least *some* distinctiveness to a senior national mark. Such a systematic division of competences is in itself very logical, but may lead to the very contradictory outcome that, according to the Court of Justice, the General Court has to grant minimal distinctive character in opposition proceedings to the senior *national* mark KOMPRESSOR for, inter alia, vacuum cleaners in Class 7, although the same Court of Justice earlier confirmed the General Court’s finding that the application for registration as an EU trademark of KOMPRESSOR PLUS had to be refused for lack of distinctive character for, inter alia, vacuum cleaners in Class 7.³³ Therefore, at

³¹ Judgment of 17 February 2011, *Formula One v OHIM* (figurative mark F1-Live), T-10/09, EU:T:2011:45, ¶ 43-62.

³² Judgments of 24 May 2012, *Formula One v OHIM* (figurative mark F1-Live), C-196/11 P, EU:C:2012:314, ¶ 47; of 8 November 2016, *BSH v EUIPO* (COMPRESSOR TECHNOLOGY), C-43/15 P, EU:C:2016:837, ¶ 67; of 24 September 2015, *Primagaz v OHIM* (PRIMA KLIMA), T-195/14, EU:T:2015:681, ¶ 95-96.

³³ Judgments of 8 November 2016, *BSH v EUIPO* (COMPRESSOR TECHNOLOGY), C-43/15 P, EU:C:2016:837, ¶ 69; and of 10 November 2011, *LG Electronics v OHIM*

least some degree of distinctiveness must necessarily be attributed to a national or EU trademark on which an opposition to registration of an EU trademark is based. Accordingly, assuming that a senior (national) mark like KOMPRESSOR is, in fact, descriptive of part of the goods for which it is registered and that its protection leads to improper monopolization of the descriptive indication in question, such a consequence should not be remedied by depriving the senior mark of protection because of its weak distinctive character when assessing likelihood of confusion, but by bringing separate invalidity proceedings against such a senior mark.³⁴

It follows that many national or EU trademarks remain registered to date that are very weak. Some may even be considered, at the outset, non-distinctive like the Benelux word mark SUPERGLUE, registered since 1 December 1981 under number 377517 for “adhesives” in Classes 1 and 16 (for the impact on its scope of protection, see below, Section IV, under the old lenient approach). In the absence of a separate application for a declaration of invalidity against the senior mark, this has led to situations where excessive protection was granted to inherently (extremely) weak marks.³⁵

The following sections delve into the case law of EU Courts to verify how and at what stages the degree of the distinctiveness of a trademark should be assessed in the confusion test.

III. THE THREE STAGES OF THE CONFUSION TEST

A. The Evolution of the Likelihood of Confusion Test in Different Stages

Article 8.1.b of the EUTMR provides that a junior mark will not be registered if, because of its identity with, or similarity to, the senior mark and the identity or similarity of the goods or services covered by the marks, there exists a likelihood of confusion on the part of the public in the territory in which the earlier trademark is protected; the likelihood of confusion includes the likelihood of association with the earlier trademark. Preamble 11 to the EUTMR underscores that the likelihood of confusion is the specific condition for protection of a registered mark and that its assessment depends on several factors “in particular, on the recognition of the trademark

(KOMPRESSOR PLUS), C-88/11 P, EU:C:2011:727, affirmed by judgment of 16 December 2010 T-497/09, EU:T:2010:540, ¶ 20.

³⁴ Judgments of 24 May 2012, *Formula One v OHIM* (figurative mark F1-Live), C-196/11 P, EU:C:2012:314, ¶ 45; and of 8 November 2016, *BSH v EUIPO (KOMPRESSOR)*, C-43/15 P, EU:C:2016:837, ¶ 68.

³⁵ Judgment of 11 December 2013, *Lepiarz v OHIM (SUPER GLUE)*, T-591/11, EU:T:2013:638, ¶ 35; confirmed by judgment of 2 October 2014, C-91/14 P, EU:C:2014:2261, ¶ 23-25.

on the market, the association which can be made with the used or registered sign, the degree of similarity between the trademark and the sign and between the goods or services identified.” These texts contain the basis for the current three-step test.

Settled case law finds that a likelihood of confusion exists when the public is likely to believe that the goods or services marketed under the trademarks in question come from the same undertaking (direct confusion) or from economically linked undertakings (indirect confusion).³⁶ This definition again emphasizes the essential function of a trademark, which is to guarantee the origin of the goods or services covered by the trademark.

The Court of Justice was first asked to interpret the likelihood of confusion as an autonomous concept of EU law in the *SABEL v Puma* case, an opposition brought in Germany by Puma based on its well-known trademark composed of a stylized image of a leaping puma against a junior composite trademark including also a leaping feline and the word “Sabel”:



Referring to the legal texts cited above, the Court held that likelihood of confusion had to be assessed “globally, taking into account all factors relevant to the circumstances of the case.” It further specified as follows:

That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive — “. . . there exists a likelihood of confusion on the part of the public . . .” — shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of

³⁶ Judgments of 24 June 2010, *Becker v Harman Int'l Industries* (Barbara Becker), C-51/09 P, EU:C:2010:368, ¶ 31; of 20 September 2007, *Nestlé v OHIM* (QUICKY), C-193/06 P, EU:C:2007:539, ¶ 32; of 12 June 2007, *OHIM v Shaker*, C-334/05 P, EU:C:2007:333, ¶ 33; of 26 April 2007, *Alcon v EUIPO* (TRAVATAN), C-412/05 P, EU:C:2007:252, ¶ 55; of 21 April 2005, *Ampafrance v EUIPO* (MONBEBÉ), T-164/03, EU:T:2005:140, ¶ 46; of 15 January 2003, *Mystery Drinks v OHIM* (MYSTERY), T-99/01, EU:T:2003:7, ¶ 29; of 23 October 2002, *Oberhauser v OHIM* (Fifties), T-104/01, EU:T:2002:262, ¶ 25.

confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyze its various details.

In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion.³⁷

In *Canon v MGM*,³⁸ the Court of Justice supplemented as follows:

A global assessment of the likelihood of confusion implies some interdependence between the relevant factors, and in particular a similarity between the trademarks and between these goods or services. Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa. (. . .)

Since protection of a trademark depends (. . .) on there being a likelihood of confusion, marks with a highly distinctive character, either *per se* or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character.

Although the legal texts did not explicitly spell this out, the case law of EU Courts has subsequently followed a three-stage-based examination. In particular, EU Courts have later consistently ruled that the likelihood of confusion depends on establishing (i) a certain degree of similarity between the goods and services, (ii) a certain degree of similarity between the conflicting marks, based on their dominant and distinctive components, as well as that those two conditions are cumulative.³⁹ In a next stage, provided the conditions of the first two steps are met to a greater or lesser extent, (iii) the likelihood of confusion must be assessed globally, taking into account the perception of the relevant public, whose level of attention may vary,⁴⁰ as well as all other circumstances relevant to the case. Those circumstances include, in particular, the

³⁷ Judgment of 11 November 1997, *SABEL v Puma*, C-251/95, EU:C:1997:528, ¶¶ 23,24 (emphases added).

³⁸ Judgments of 29 September 1998, *Canon v MGM*, C-39/97, EU:C:1998:442, ¶¶ 17-18 (emphases added); of 22 June 1999, *Lloyd Schuhfabrik Meyer v Klijsen Handel*, C-342/97, EU:C:1999:323, ¶¶ 19-20.

³⁹ Judgments of 11 December 2008, *Gateway v OHIM (ACTIVY Media Gateway)*, C-57/08 P, EU:C:2008:718, ¶ 45; of 13 September 2007, *Il Ponte Finanziaria v OHIM (BAINBRIDGE)*, C-234/06 P, EU:C:2007:514, ¶ 48; of 12 October 2004, *Vedial v OHIM (HUBERT)*, C-106/03 P, EU:C:2004:611, ¶ 51; of 19 May 2011, *PJ Hungary v OHIM (PEPEQUILLO)*, T-580/08, EU:T:2011:227, ¶ 70; of 22 January 2009, *Commercy v OHIM (easy Hotel)*, T-316/07, EU:T:2009:14, ¶ 42; of 16 January 2008, *Inter-Ikea v OHIM (IKEA)*, T-112/06, EU:T:2008:10, ¶ 83; of 13 February 2007, *Ontex v OHIM (CURON)*, T-353/04, EU:T:2007:47, ¶ 49; of 22 October 2003, *Editions Albert René v OHIM (starix)*, T-311/01, EU:T:2003:280, ¶ 59.

⁴⁰ Judgment of 12 January 2006, *Ruiz-Picasso v OHIM (PICARO)*, C-361/04 P, EU:C:2006:25, ¶ 21-23.

interdependence between the degree of similarity between the goods and/or services and the degree of similarity between the marks, the distinctive character of the senior mark, as well as the circumstances under which the goods and/or services covered by the marks are put on the market.⁴¹

Although the case law of EU Courts adopted that approach to assessing likelihood of confusion over many years, it was only in *Equivalenza* that the Court of Justice explicitly affirmed that the confusion test runs over different “stages.”⁴²

Thus, as a basic rule expressed in *SABEL v Puma*, the stronger the distinctive character of the senior mark or its components, the greater will be its scope of protection against junior marks reproducing it or those components. Conversely, the weaker that character, the less protection will be afforded. It follows from these decisions that the weak distinctive character of either a component of the senior mark or the senior mark as a whole may be relevant in the second and third stages, respectively.

Determining correctly who constitutes the relevant public, also linguistically, and whether a mark, or certain of its components, are weakly distinctive in that public’s perception in the second stage is decisive in order to subsequently assess the likelihood of confusion in the third stage. These are the two stages this article focuses on. The first stage relates to the assessment of the similarity between the goods and services and falls beyond the scope of this contribution. In all cases discussed below, the conflicting goods and/or services were (highly) similar or even identical.

B. The Second Stage: Assessing Similarity Between the Marks

1. The Overall Impression: Identifying the Distinctive and Dominant Components in the Marks

When assessing the similarity between the marks, the degree of visual, phonetic, or conceptual similarity must be assessed based on the *overall impression* conveyed by those marks, taking particular account of their *distinctive and dominant components*.⁴³ The

⁴¹ Judgment of 4 March 2020, EUIPO v Equivalenza Manufactory (BLACK LABEL BY EQUIVALENZA), C-328/18 P, EU:C:2020:156, ¶ 70-74.

⁴² Judgment of 4 March 2020, EUIPO v Equivalenza Manufactory (BLACK LABEL BY EQUIVALENZA), C-328/18 P, EU:C:2020:156, ¶¶ 70-75.

⁴³ Judgments of 2 September 2010, Calvin Klein v OHIM (CK CREACIONES KENNYA), C-254/09 P, EU:C:2010:488, ¶ 45; of 3 September 2009, Aceites del Sur-Coosur v Koipe (La Española), C-498/07 P, EU:C:2009:503, ¶ 59; of 12 June 2007, OHIM v Shaker, C-334/05 P, EU:C:2007:333, ¶ 35; of 22 June 1999, Lloyd Schuhfabrik Meyer v Klijsen Handel, C-342/97, EU:C:1999:323, ¶ 17; of 11 November 1997, SABEL v Puma, C-251/95, EU:C:1997:528, ¶ 23; of 18 May 2011, Glenton España v OHIM (POLO SANTA MARIA),

perception of the marks by the average consumer of the goods or services in question plays a decisive role in this respect. The average consumer usually perceives a trademark as a whole and does not analyze its various details. It follows that two trademarks are generally considered to be similar if, from the point of view of the relevant public, they are at least *partially identical* in one or more relevant aspects, namely the visual, aural, and conceptual aspects.⁴⁴

A first step of the second stage in the examination—the similarity between the signs—thus consists of identifying the dominant and distinctive components, on the basis of which the degree of phonetic, visual, and conceptual similarity must be determined. That requires, in each individual case, examining the components of a mark and their relative weight in the perception of the relevant public in order to determine, based on the specific circumstances of the particular case, the overall impression that the mark in question makes on that public.⁴⁵

One may wonder whether treating distinctive components, on the one hand, and dominant components, on the other, as two separate aspects is what the Court of Justice really meant to say with its decision in *SABEL*. After all, the questions referred to the Court of Justice merely spoke of the importance of components “characterizing” a mark,⁴⁶ so that arguably “dominant” and “distinctive” are not to be construed as separate terms. In that sense, only what is distinctive in that it denotes the origin of goods or services can be remembered by consumers as a characterizing element and thus “dominate” the overall impression of the mark. This misconstruction got a foothold in the *Matratzen* case cited above, where the “dominant” nature of a component was equated with its visually large position within a composite sign. Indeed, when assessing the similarity between the senior Spanish word mark MATRATZEN and the junior application for registration of the EU composite mark containing the word “Matratzen,” the

T-376/09, EU:T:2011:225, ¶ 24; of 14 October 2003, Phillips-Van Heusen v OHIM (BASS), T-292/01, EU:T:2003:264, ¶ 47; of 23 October 2002, Institut für Lernsysteme v OHIM (ELS), T-388/00, EU:T:2002:260, ¶ 62.

⁴⁴ Judgments of 1 June 2006, Plus Warenhandelsgesellschaft v OHIM (Turkish Power), C-324/05 P, EU:C:2006:368, ¶¶ 30-37, upholding the judgment of 22 June 2005, T-34/04, EU:T:2005:248, ¶ 43; of 18 May 2011, Habanos v OHIM (KIOWA), T-207/08, EU:T:2011:224, ¶ 34; of 29 October 2009, Peek & Cloppenburg v OHIM (AGILE), T-386/07, EU:T:2009:420, ¶ 23; of 16 May 2007, Merant v OHIM (FOCUS), T-491/04, EU:T:2007:141, ¶ 45; of 12 July 2006, Rossi v OHIM (MARCOROSSO), T-97/05, EU:T:2006:203, ¶ 39; of 25 November 2003, Oriental Kitchen v OHIM (KIAP MOU), T-286/02, EU:T:2003:311, ¶ 38; of 23 October 2002, Matratzen Concord v OHIM (MATRATZEN), T-6/01, EU:T:2002:261, ¶ 30.

⁴⁵ Judgment of 8 May 2014, Bimbo v OHIM (BIMBO DOUGHNUTS), C-591/12 P, EU:C:2014:305, ¶¶ 34, 36.

⁴⁶ “prägend” in the original German language version of the decision; see, to that effect, Judgment of 11 November 1997, SABEL v Puma, C-251/95, EU:C:1997:528, 6.

General Court held that similarity between a senior mark and junior composite mark reproducing the senior mark required the common component to be the dominant element within the overall impression created by the composite mark. That was the case where that component was likely to dominate, by itself, the image of that mark that the relevant public keeps in mind, with the result that all the other components of the mark were negligible within the overall impression created by it:⁴⁷



Similarly, in a conflict between the senior word mark FLEX and the junior mark FLEXI AIR, both for shampoos and hair care products, the Court of Justice held that any alleged weak distinctive character of the senior mark did not preclude a likelihood of confusion. According to the Court, a distinction had to be drawn between the notion of the distinctive character of the senior mark as a whole, which determined the protection afforded to that mark, and the notion of the distinctive character that an element of a composite mark possesses, which is concerned with its ability to dominate the overall impression created by the mark.⁴⁸

Thus, the approach by which weakly or even non-distinctive components may be likely to dominate overall impression of a mark because of their size or position, and even if as a general rule components with greater distinctiveness are more likely to dominate the overall impression,⁴⁹ was an approach that at the outset risked granting excessive importance to potentially weak components. Nevertheless, the basic rules mandate taking dominant components into account alongside distinctive components.

⁴⁷ Judgment of 23 October 2002, *Matratzen Concord v OHIM (MATRATZEN)*, T-6/01, EU:T:2002:261, ¶ 38; confirmed by the judgment of 28 April 2004, *Matratzen Concord v OHIM (MATRATZEN)*, C-3/03 P, EU:C:2004:233, ¶ 32.

⁴⁸ Judgments of 16 March 2005, *L'Oréal v OHIM (FLEXI AIR)*, T-112/03, EU:T:2005:102, ¶ 61, confirmed by judgment of 27 April 2006, C-235/05 P, EU:C:2006:271, ¶¶ 42-43.

⁴⁹ Judgments of 7 May 2015, *Adler Modemärkte v OHIM (MARINE BLEU)*, C-343/14 P, EU:C:2015:310, ¶ 38; and of 12 June 2019, *Patent- och registreringsverket v Hansson (ROSLAGSÖL)*, C-705/17, EU:C:2019:481, ¶ 53.

2. What Are Distinctive Components?

To assess the degree of distinctiveness of a trademark, it is necessary to assess globally the extent to which the mark is suitable for identifying the goods or services for which it is registered as originating from a particular undertaking, and thus for distinguishing these goods or services from those of other undertakings. When assessing the distinctive character of *an element of a composite* mark, the same criterion applies, so that it must be assessed to what extent this element of the mark is suitable for indicating the origin of the goods or services at issue.⁵⁰ Thus, the determination of distinctiveness depends on the *inherent* characteristics of the mark, including the presence or absence of elements that are descriptive of the goods or services for which it has been registered as a trademark.⁵¹

The general rule is that the public will not regard a weakly distinctive element that is part of a composite mark, such as descriptive element, as the distinctive or dominant component in the overall impression evoked by that mark.⁵² Rather, what is imaginative with respect to the goods or services involved will attract the public's attention.⁵³ Analogous considerations apply to elements that have a very general meaning and suggest a positive quality that can be attributed to a wide variety of goods or services, such as "royal," which is reminiscent of the monarchy and represents luxury or grandeur,⁵⁴ "vita,"⁵⁵ or "art":⁵⁶ such terms are not likely to be perceived as strongly distinctive. Rather, they are suggestive.

A similarity that lies in distinctive elements obviously weighs more heavily than a similarity that arises from a common

⁵⁰ Judgment of 25 March 2010, Nestlé v OHIM (GOLDEN EAGLE and GOLDEN EAGLE DELUXE), joined cases T-5/08 & T-7/08, EU:T:2010:123, ¶ 65.

⁵¹ Judgment of 12 June 2019, PatenT- och registreringsverket v Hansson (ROSLAGSÖL), C-705/17, EU:C:2019:481, 50.

⁵² Judgments of 22 June 2010, CM Capital Markets v OHIM (CARBON CAPITAL MARKETS), T-490/08, EU:T:2010:250, ¶ 39; of 11 June 2009, Hedgefund Intelligence v OHIM (INVESTHEDGE), T-67/08, EU:T:2009:198, ¶ 55; of 3 July 2003, José Alejandro v OHIM (BUDMEN), T-129/01, EU:T:2003:184, ¶ 53; of 18 February 2004, Koubi v OHIM (CONFORFLEX), T-10/03, EU:T:2004:46, ¶ 60.

⁵³ Judgment of 17 February 2017, Construlink v EUIPO (GATEWIT), T-351/14, EU:T:2017:101, ¶ 66.

⁵⁴ Judgments of 19 September 2017, RP Technik v EUIPO (RP ROYAL PALLADIUM), T-768/15, EU:T:2017:630, ¶ 86; of 15 February 2007, Bodegas Franco-Españolas v OHIM (ROYAL), T-501/04, EU:T:2007:54, ¶ 48.

⁵⁵ Judgment of 6 October 2004, Vitakraft-Werke v OHIM (VITAKRAFT), T-356/02, EU:T:2004:292, ¶ 52.

⁵⁶ Judgment of 11 December 2014, Sherwin-Williams v OHIM (ARTI), T-12/13, EU:T:2014:1054, ¶ 77.

descriptive element.⁵⁷ Put differently, weakly distinctive components of a composite mark generally have less weight in the analysis of the similarity of marks than components with a high degree of distinctiveness, which, moreover, are more likely to dominate in the overall impression produced by the trademark. Similarity that lies only in weakly distinctive components will often not lead to the conclusion of likelihood of confusion.⁵⁸

3. What Are Dominant Components?

As highlighted above in the *Matratzen* case, the dominant nature of an element of a trademark derives from the ability of that element, by virtue of its size or position, to leave an impression on the relevant public, independently of its distinctive character. Indeed, even if, because of their weak or even very weak distinctive character, the descriptive elements of a mark are not considered by the public to be dominant in the overall impression evoked by this mark, this conclusion may be different if, because of their position or their size, the descriptive elements appear suitable to make an impression and be remembered by consumers.⁵⁹ In other words, whether an element is dominant and may be retained by the minds of consumers depends on whether it is visually striking.

As the *Matratzen* case shows, that examination cannot involve considering only one component of a composite mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question and considering each mark as a whole. However, this does not exclude the possibility that the overall impression created by a composite mark to the relevant public may, in certain circumstances, be dominated by one or more of its components.⁶⁰ In assessing the *dominant* character of one or more particular components of a composite mark, the intrinsic qualities of each of these components must be taken into account by comparing them with the qualities of the other components. In addition, the relative position of the various components in the composition of the

⁵⁷ Judgment of 26 March 2015, *Royal County of Berkshire Polo Club v OHIM (ROYAL COUNTY OF BERKSHIRE POLO CLUB)*, T-581/13, EU:T:2015:192, ¶ 41.

⁵⁸ Judgment of 27 April 2006, *L'Oréal v OHIM (FLEXI AIR)*, C-235/05 P, EU:C:2006:271, ¶ 43; and of 12 June 2019, *Patent- och registreringsverket v Hansson (ROSLAGSÖL)*, C-705/17, EU:C:2019:481, ¶¶ 53, 55.

⁵⁹ Judgment of 13 December 2007, *Cabrera Sánchez v OHIM (EL CHARCUTERO ARTESANO)*, T-242/06, EU:T:2007:391, ¶ 53.

⁶⁰ Judgments of 3 September 2009, *Aceites del Sur-Coosur v Koipe*, C-498/07 P, EU:C:2009:503, ¶ 62; of 12 June 2007, *OHIM v Shaker*, C-334/05 P, EU:C:2007:333, ¶ 41; of 6 October 2005, *Medion v Thomson Multimedia Sales*, C-120/04, EU:C:2005:594, ¶ 29; of 28 April 2004, *Matratzen Concord v OHIM (MATRATZEN)*, C-3/03 P, EU:C:2004:233, ¶ 32; of 11 May 2005, *Grupo Sada v OHIM (GRUPO SADA)*, T-31/03, EU:T:2005:169, ¶ 49.

composite mark may be taken into account.⁶¹ Consequently, the fact that an element is not negligible does not mean that it is dominant and, conversely, the fact that an element is not dominant does not in any way mean that it is negligible.⁶² The General Court therefore erred in law, according to the Court of Justice, when it assessed similarity in the second stage solely on the basis of the distinctive component consisting of the word element “QUICKY,” arguing that the depiction of the rabbit was merely decorative:⁶³



QUICKY

Upon review, the Court of Justice stressed that the rule according to which the similarity can be assessed solely on the basis of the dominant component, provided that all other components are negligible in the overall impression, applies to “exceptional situations” only. Consequently, it cannot be inferred from this line of case law that only the distinctive component of a mark consisting of a descriptive component and a distinctive component is decisive when assessing the likelihood of confusion.⁶⁴ To take only the distinctive component into account in all cases would not amount to a global examination of similarity between the signs. Thus, the fact that an element of a composite sign is weakly distinctive does not

⁶¹ Judgments of 23 November 2010, *Codorniu Napa v OHIM (ARTESA NAPA VALLEY)*, T-35/08, EU:T:2010:476, ¶ 35; of 9 September 2008, *Honda Motor v OHIM (MAGIC SEAT)*, T-363/06, EU:T:2008:319, ¶ 27; of 13 December 2007, *Cabrera Sánchez v OHIM (el charcutero artesano)*, T-242/06, EU:T:2007:391; of 23 October 2002, *Matratzen Concord v OHIM (MATRATZEN)*, T-6/01, EU:T:2002:261, ¶ 35.

⁶² Judgments of 20 September 2007, *Nestlé v OHIM (QUICKY)*, C-193/06 P, EU:C:2007:539, ¶¶ 43-44; of 19 May 2015, *Granette & Starorežná v OHIM (42 VODKA JEMNÁ VODKA VYRÁBĚNÁ JEDINEČNOU TECHNOLOGIÍ 42 %vol.)*, T-607/13, EU:T:2015:292, ¶ 47.

⁶³ Judgment of 20 September 2007, *Nestlé v OHIM (QUICKY)*, C-193/06 P, EU:C:2007:539, ¶¶ 40-48.

⁶⁴ Judgments of 15 January 2010, *Messer Group v Air Products & Chemicals (Ferromix, Inomix and Alumix)*, C-579/08 P, EU:C:2010:18, ¶ 72; of 30 January 2014, *Industrias Alen v Clorox Co. (CLORALEX)*, C-422/12 P, EU:C:2014:57, ¶ 44; of 19 March 2015, *MEGA Brands Int'l v OHIM (MAGNEXT)*, C-182/14 P, EU:C:2015:187, ¶ 38.

mean that it may automatically be ignored, in particular because it is dominant in the overall impression.⁶⁵

It follows that that the descriptive components of the conflicting marks should not in advance and in general be excluded from the assessment of the similarity between them.⁶⁶ As mentioned, cases where the overall impression of a composite trademark is dominated by a single component, so that all other components are negligible, concern only “exceptional situations.” This means one cannot infer a general rule that only the distinctive component of a mark consisting of a descriptive component and a distinctive component is decisive in assessing the similarity of marks and the likelihood of confusion existing between them.⁶⁷ Otherwise, that would amount to dissecting the marks artificially, whereas consumers generally perceive composite marks as a whole.

4. The Phonetic, Visual, and Conceptual Aspect of the Comparison

Against that background of identifying the distinctive and dominant components, one must subsequently determine the degree of phonetic, visual and conceptual similarity between them.

Although similarity should be assessed globally, each visual, phonetic, and conceptual aspect should be analyzed separately.⁶⁸ That, however, does not require a finding that the signs are similar in all three aspects; it is sufficient that they are identical or similar visually, aurally, or conceptually. It then comes down to establishing that the signs are globally similar to a greater or lesser extent, after which it is possible to examine the likelihood of confusion in the third stage. For example, in a conflict between the senior Spanish mark GEICAR and the application for an EU trademark containing the words “HEY CAR SELECT,” both in relation to car retail and car rental services, the General Court held the signs were visually dissimilar and had no conceptual meaning to the Spanish consumer. Nonetheless, their highly identical pronunciation in Spanish gave rise to significant phonetic

⁶⁵ Judgments of 24 March 2011, *Arraiza v OHIM (RIOJAVINA)*, C-388/10 P, EU:C:2011:185, ¶ 65; of 19 March 2015, *MEGA Brands Int'l v OHIM (MAGNEXT)*, C-182/14 P, EU:C:2015:187, ¶ 34.

⁶⁶ Judgments of 7 May 2015, *Adler Modemärkte v OHIM (MARINE BLEU)*, C-343/14 P, EU:C:2015:310, ¶ 38; and of 12 June 2019, *Patent- och registreringsverket v Hansson (ROSLAGSÖL)*, C-705/17, EU:C:2019:481, ¶ 49.

⁶⁷ Judgments of 15 January 2010, *Messer Group v Air Products & Chemicals (Ferromix, Inomix and Alumix)*, C-579/08 P, EU:C:2010:18, ¶ 72; and of 30 January 2014, *Industrias Alen v Clorox Co. (CLORALEX)*, C-422/12 P, EU:C:2014:57, ¶ 44.

⁶⁸ Judgment of 26 March 2009, *Sunplus Tech. v OHIM (SUNPLUS)*, C-21/08 P, EU:C:2009:199, ¶ 41.

similarities and thus required assessing confusion globally at the third stage.⁶⁹



hey car select

Conversely, a certain degree of conceptual similarity may be neutralized by clear visual and phonetic differences, with the result that the two signs are globally different.⁷⁰ Similarly, conceptual differences between two signs may neutralize their visual and phonetic similarities, provided that at least one of the signs has a clear and specific meaning for the relevant public, such that this public is able to understand it immediately.⁷¹

5. Reputation Cannot Overcome Lack of Similarity

It follows from the above (in particular Sections III, under 1, 2, and 3) that assessing similarity between the marks at the second stage is based on their distinctive and dominant components. That remains an utterly abstract examination based on the consumer's expected perception, without taking account of marketing circumstances or other elements alien to the conflicting marks as such.⁷² An interesting question is whether the enhanced distinctiveness or even reputation enjoyed by the senior mark can cause that mark to become "more similar" to the junior mark, when assessing their similarity at the second stage.

In this context, the EU Courts have distinguished between the concept of distinctiveness of the senior mark as a whole, which determines the overall protection conferred on that mark, and the concept of distinctiveness possessed by a component of a composite mark, which determines its ability to dominate the overall impression produced by the mark.⁷³ While it is true that the

⁶⁹ Judgment of 30 April 2025, *Mobility Trader Holding v EUIPO (hey car select)*, T-338/24, EU:T:2025:420, 84.

⁷⁰ Judgments of 4 March 2009, *Professional Tennis Registry v OHIM (PTR PROFESSIONAL TENNIS REGISTRY)*, T-168/07, EU:T:2009:51, ¶¶ 42-43; and of 21 April 2010, *Peek & Cloppenburg v OHIM (ThaiSilk)*, T-361/08, EU:T:2010:152, ¶ 43.

⁷¹ Judgments of 12 January 2006, *Ruiz-Picasso v OHIM (PICARO)*, C-361/04 P, EU:C:2006:25, ¶ 20; of 23 March 2006, *Mülhens v OHIM (ZIRH)*, C-206/04 P, EU:C:2006:194, ¶ 35 and of 30 April 2025, *Versiontech v EUIPO (VersionTech)*, T-242/24 EU:T:2025:422, 58; 64.

⁷² Judgment of 4 March 2020, *EUIPO v Equivalenza Manufactory (BLACK LABEL BY EQUIVALENZA)*, C-328/18 P, EU:C:2020:156, ¶ 60; 68-70.

⁷³ Judgments of 27 April 2006, *L'Oréal v OHIM (FLEXI AIR)*, C-235/05 P, EU:C:2006:271, ¶ 43; of 25 March 2010, *Nestlé v OHIM (Golden Eagle and Golden Eagle Deluxe)*, joined cases T-5/08 & T-7/08, EU:T:2010:123, ¶ 65; of 9 April 2014, *MHCS v OHIM (DORATO)*, T-249/13, EU:T:2014:193, ¶ 47.

distinctiveness of a component of a composite mark must be examined at the second stage of assessing the similarity of marks in order to determine whether the component may be dominant, the degree of distinctiveness of the senior mark as a whole is a factor to be taken into account only at the third stage, in the context of the overall assessment of the likelihood of confusion. Therefore, the assessment of the similarity between the marks is indeed done in a very *abstract* way from the consumer's perception, without the reputation of the senior mark being able to influence that perception in the second stage. Otherwise, this would mean that two signs may or may not be similar, depending on whether the reputation that the senior mark may or may not have. That would amount to a subjective assessment of similarity that has no place in the second stage.⁷⁴

Thus, even if a senior mark has reputation and accordingly a broader scope of protection, that cannot make up for the lack of similarity between the marks at the second stage. For instance, in a conflict between the senior word mark KINDER and an application for registration as an EU trademark including the words "TIMI KINDERJOGHURT," the Court of Justice confirmed that since certain visual and phonetic characteristics of the marks in question precluded them from being perceived as similar, the likelihood of confusion no longer had to be assessed globally regardless of the reputation that the senior mark KINDER enjoyed for chocolate and confectionery.⁷⁵



Conversely, the possible low distinctiveness of the senior mark *as a whole* should not be taken into account either when assessing the similarity of the signs. For instance, in a conflict between the below marks, the fact that the senior mark consisting of a red mug and coffee beans as a whole had a very low distinctive character in relation to coffee in Class 30, that could not invalidate the finding

⁷⁴ Judgment of 27 April 2006, L'Oréal v OHIM (FLEXI AIR), C-235/05 P, EU:C:2006:271, ¶ 42.

⁷⁵ Judgment of 24 March 2011, Ferrero v OHIM (TiMi KiNDERJOGHURT), C-552/09 P, EU:C:2011:177, ¶¶ 52-53, 66; in the same vein: judgments of 20 September 2016, Excalibur – EUIPO (Merlin's Kinderwelt), T-566-15, EU:T:2016:517, 66; of 11 June 2020, China Construction Bank v EUIPO (CCB), C-115/19 P, EU:C:2020:469, 58 – 61.

there was some degree of similarity at the visual and conceptual levels, even if only “slight”:⁷⁶



It follows that whether the senior mark as a whole is *reputed* or conversely *very weak* does not play a role in assessing its similarity to another mark; thus it cannot lead to a greater or lesser degree of overall similarity being accorded to marks that are essentially similar on the basis of a weak distinctive element.⁷⁷ Only where the signs are globally and abstractly similar, however faintly, should one proceed to assess whether, despite the low degree of similarity between the marks, there is a likelihood of confusion on the part of the relevant public associating the marks due to other relevant factors (such as the reputation of the senior mark).⁷⁸

However, if the senior mark and the junior mark have not been found similar in any respect in the second stage, the circumstance that the senior mark is (widely) known or enjoys a reputation, or that the goods or services in question are identical or similar, cannot overcome the complete absence of similarity between them. In that case, one of cumulative conditions is not met at the first or second stage, there is no room for a global assessment of likelihood of confusion at the third stage.⁷⁹

⁷⁶ Judgment of 25 March 2010, Nestlé v OHIM (GOLDEN EAGLE and GOLDEN EAGLE DELUXE), joined cases T-5/08 & T-7/08, EU:T:2010:123, ¶ 65.

⁷⁷ Judgments of 2 September 2010, Calvin Klein v OHIM (CK CREACIONES KENNYA), C-254/09 P, EU:C:2010:488, ¶ 68; of 25 February 2016, FCC Aqualia v OHIM (AQUALOGY), T-402/14, EU:T:2016:100, ¶¶ 77-80, 86.

⁷⁸ Judgments of 12 October 2004, Vedral v OHIM (HUBERT), C-106/03 P, EU:C:2004:611, ¶ 54; and of 2 September 2010, Calvin Klein v OHIM (CK CREACIONES KENNYA), C-254/09 P, EU:C:2010:488, ¶ 53; Judgments of 19 May 2010, Ravensburger v OHIM (EDUCA Memory game), T-243/08, EU:T:2010:210, ¶ 27; of 15 September 2009, Parfums Christian Dior v OHIM (MANGO adorably), T-308/08, EU:T:2009:329, ¶¶ 53-54; of 27 November 2007, Gateway v OHIM (ACTIVY Media Gateway), T-434/05, EU:T:2007:359, ¶¶ 50-51.

⁷⁹ Judgments of 11 December 2008, Gateway v OHIM (ACTIVY Media Gateway), C-57/08 P, EU:C:2008:718, ¶¶ 55-56; of 13 September 2007, Il Ponte Finanziaria v OHIM (BAINBRIDGE), C-234/06 P, EU:C:2007:514, ¶¶ 50-51; of 12 October 2004, Vedral v OHIM (HUBERT), C-106/03 P, EU:C:2004:611, ¶ 54.

***C. The Third Stage: The Degree of Distinctive Character
of the Earlier Mark as a Whole as Part of the
Global Assessment***

Lastly, in the third step, likelihood of confusion is assessed globally, taking into account all relevant circumstances of the concrete case including the degree of distinctiveness and reputation of the senior mark.

In order to determine the degree of distinctiveness of a mark, the national court must make an overall assessment of the extent to which the mark “as a whole” is capable of identifying the goods or services for which it is registered as originating from a particular undertaking and thus of distinguishing those goods or services from those of other undertakings. That assessment should not only take into account the inherent characteristics of the mark, including whether or not it contains a description of the goods or services for which it is registered, but also the distinctive character acquired through use. This requires examining the senior mark’s market share, the intensity, geographical distribution and duration of use of the mark, the promotion thereof and corresponding investments on the part of the trademark owner, the degree of recognition of the mark by the interested public, as well as statements of chambers of commerce and industry and other professional associations, where available.⁸⁰

The greater the senior mark’s distinctiveness, the greater the likelihood of confusion. The opposite is equally true. However, even senior marks that are endowed with a low distinctive character as a whole, because they are suggestive or contain descriptive components, enjoy some degree of protection against junior marks reproducing those components. If one were to argue that the similarity to the senior mark is negligible because the senior mark as a whole or the component common to both marks is descriptive, then such a plea is implicitly but necessarily based on considerations relating to the public interest that must be safeguarded given that signs describing the characteristics of goods and services must be free to be used by all traders offering these goods and services. If, in such a context, a party could invoke a need to freely register a similar suggestive mark or a similar descriptive component as part of a junior mark that is similar to the senior mark, without the proprietor of the senior mark being able to oppose such use by invoking a likelihood of confusion, the effective

⁸⁰ Judgment of 22 June 1999, *Lloyd Schuhfabrik Meyer v Klijsen Handel*, C-342/97, EU:C:1999:323, ¶¶ 22-23.

application of a likelihood of confusion claim would be undermined.⁸¹

Considerations to keep a descriptive sign available for use by competitors are at most relevant when assessing whether there is an *absolute* ground for refusal of registration and, thus, whether the senior mark is eligible for registration as such. By contrast, once the senior mark is indeed registered, it enjoys some protection. The result is that considerations on whether a descriptive component must be available to other operators cannot be one of the relevant factors in assessing likelihood of confusion. Even descriptive components that in general should remain available to all economic operators can be abused to create confusion among consumers, especially when that sign is part of a composite mark and is dominant, and similarity lies additionally in other elements.

In other words, a finding of a likelihood of confusion due to similarity, which is based on a common component with weak, even very weak, distinctive character, only leads to the protection of a certain *combination of components*, without, however, protecting a descriptive component as such. The Court of Justice for instance upheld a judgment of the General Court which found a likelihood of confusion between, respectively, the senior marks FERROMAX, INOMAXX, and ALUMAXX and the marks applied for FERROMIX, INOMIX, and ALOMIX, in particular for gases and gas mixtures in class 1. The Court of Justice held that the General Court could lawfully decide that the low distinctiveness of the prefixes “ferro,” “ino,” and “alu,” referring to the chemical elements, and the suffixes “mix” or “max” referring to “mixtures” or “maximum,” respectively, did not preclude an overall similarity between the marks; the finding of a likelihood of confusion in that case after all only lead to a protection of a combination of descriptive elements, without protecting the descriptive element as such.⁸²

Moreover, attributing excessive importance to the fact that the senior mark has only weak distinctiveness would have the effect of disregarding the factor of similarity of the conflicting marks in favor of the factor based on the (absence or low degree of) distinctiveness of the senior mark. This, in turn, would mean that, if the senior mark is only weakly distinctive, there would be a likelihood of confusion only if that mark were fully adopted by the junior mark, regardless of the degree of similarity between the conflicting signs. In that case, it would be possible to register a composite mark one of whose components is identical or similar to that of an senior mark

⁸¹ Judgments of 10 April 2008, *adidas v Marca Mode*, C-102/07, EU:C:2008:217, ¶¶ 29-31; of 28 November 2013, *Vitaminaqua v OHIM (vitaminaqua)*, T-410/12, EU:T:2013:615, ¶ 42.

⁸² Judgment of 15 January 2010, *Messer Group v Air Products & Chemicals (Ferromix, Inomix and Alumix)*, C-579/08 P, EU:C:2010:18, ¶ 73; and of 30 January 2014, *Industrias Alen v Clorox Co. (CLORALEX)*, C-422/12 P, EU:C:2014:57, ¶ 45.

with a weak distinctive character, even if the other components of that composite mark are still less distinctive than the common component, and despite the danger that consumers would believe that the slight difference between the signs reflected a change in the nature of the goods or resulted from marketing considerations, and not that this difference related to goods of different traders.⁸³ Such an outcome would be inconsistent with the very nature of the global assessment that the competent authorities must make.⁸⁴ A finding that the distinctive character of the senior mark may be weak does not permit disregarding the comparison between the conflicting marks and does not preclude a finding of a likelihood of confusion. Otherwise, such an assessment would ignore the global approach to likelihood of confusion.⁸⁵ In other words, while the distinctiveness of the senior mark must be taken into account in assessing likelihood of confusion, it is only *one factor* among many.

IV. HOW MUCH PROTECTION IS TOO MUCH PROTECTION? PAST LENIENT APPROACH OF EU COURTS

Based on the above legal principles, EU Courts in the past have often attached undue importance to the similarity of common weak components based on the dominant character thereof on one of the trademarks, or both. Similarly, even in the case of a weakly distinctive senior mark, a likelihood of confusion was generally upheld when the goods or services in question were the same and the marks, despite their weak distinctive character, were to some extent similar.⁸⁶

Some of these rulings were understandable, to the extent that they upheld similarity and confusion not only based on the descriptive element, but on a combination of such elements or similarity lying additionally in other distinctive components. Aside from the *FERROMAX* case discussed above, one may refer to the following examples:

⁸³ Judgment of 27 April 2006, *L'Oréal v OHIM (FLEXI AIR)*, C-235/05 P, EU:C:2006:271, ¶ 45.

⁸⁴ Judgment of 23 March 2012, *Barilla v OHIM (ALIXIR)*, T-157/10, EU:T:2012:148, ¶ 28.

⁸⁵ Judgment of 15 March 2007, *T.I.M.E. ART v OHIM (QUANTUM)*, C-171/06 P, EU:C:2007:171, ¶ 41.

⁸⁶ Judgments of 13 April 2011, *Sociedad Agricola Requingua v OHIM (TORO DE PIEDRA)*, T-358/09, EU:T:2011:174, ¶ 45; of 15 September 2009, *Royal Appliance Int'l v OHIM (Centrixx)*, T-446/07, EU:T:2009:327, ¶ 62; of 18 June 2009, *LIBRO v OHIM (LiBRO)*, T-418/07, EU:T:2009:208, ¶ 74; of 13 December 2007, *Xentral v OHIM (PAGESJAUNES.COM)*, T-134/06, EU:T:2007:387, ¶ 70; of 12 January 2006, *Devinlec v OHIM (QUANTUM)*, T-147/03, EU:T:2006:10, ¶ 110.

- The Court of Justice⁸⁷ rejected an appeal against a judgment of the General Court,⁸⁸ which held that there was a likelihood of confusion between the senior mark CLOROX and the application for the EU word mark CLORALEX, despite the finding that the element “Clor” for bleaching agents and disinfectants has a weak distinctive character. Although it did not overturn the decision of the General Court, the Court ruled that not only the distinctive element of a composite mark composed of a descriptive and a distinctive element is decisive in assessing whether there is a likelihood of confusion, and that the General Court’s finding of a likelihood of confusion merely leads to the protection of a particular combination of elements, without, however, protecting a descriptive element that is part of this combination in itself.
- Similarly, the fact that the element “bio” was considered descriptive of goods in Class 5 did not preclude a finding of likelihood of confusion between the marks BIOCEF and BIOCERT, as it did not result in an unjustified monopoly being granted to a company on the use of the prefix, but only on a combination of elements, in which similarity between the suffixes “CEF” and “CERT” also contributes to overall similarity.⁸⁹

However, other cases went further. They held, as a general rule, that a common element with weak distinctiveness, like a descriptive prefix, will often lead to a likelihood of confusion if the element remains dominant by virtue of its size or position, often placed at the beginning of the marks, and if the sign does not contain other elements that are more dominant and/or have greater distinctiveness. In many of these cases the finding of similarity, and confusion, was thus not based on similarity resulting from a combination of descriptive elements but often lay solely in one descriptive element common to both marks. This approach was definitely very flexible and led to situations where a (very) weak mark was given quite broad protection. As demonstrated in the cases of *FLEXI AIR* and *COMPRESSOR TECHNOLOGY* discussed above, that approach granted extensive and potentially disproportionate protection to the weak component as such. The following cases are testament to that overly lenient approach:

⁸⁷ Judgments of 30 January 2014, *Industrias Alen v Clorox Co. (CLORALEX)*, C-422/12 P, EU:C:2014:57, ¶ 45; and of 15 January 2010, *Messer Group v Air Products & Chemicals (Ferromix, Inomix and Alumix)*, C-579/08, EU:C:2010:18, ¶¶ 73-74.

⁸⁸ Judgment of 10 July 2012, *Clorox Co. v OHIM (CLORALEX)*, T-135/11, EU:T:2012:356.

⁸⁹ Judgment of 10 December 2014, *Novartis v OHIM (BIOCERT)*, T-605/11, EU:T:2014:1050, ¶ 58.

- the proprietor of the senior Benelux word mark SUPERGLUE, in relation to adhesives, could legitimately oppose the application for registration as an EU trademark of the packaging below, in which the word “super glue,” despite its utterly apparent lack of distinctive character, nevertheless occupied a dominant position:⁹⁰



- Another famous case concerned the opposition based on the Spanish mark LIMONCHELO for alcoholic beverages against the application for registration of a composite EU trademark consisting, on the one hand, of a representation of a round plate decorated with lemons and, on the other hand the word elements “Limoncello del la Costiera Amalfitana” and “Shaker” for alcoholic beverages limited to lemon liqueurs. The Court of Justice set aside the judgment of the General Court by which it held that the figurative element was the only dominant element so that the partial similarity between the word elements “Limonchelo” and “Limoncello” was negligible.⁹¹



⁹⁰ Judgment of 11 December 2013, *Lepiarz v OHIM (SUPER GLUE)*, T-591/11, EU:T:2013:638, ¶ 35; confirmed by judgment of 2 October 2014, C-91/14 P, EU:C:2014:2261, ¶ 23-25.

⁹¹ Judgment of 15 June 2005, *Shaker v OHIM*, T-7/04, EU:T:2005:222. In particular: at paragraph 57, the General Court held that “the round dish decorated with lemons has, by virtue of its intrinsic qualities, a high degree of distinctiveness as compared with the other components of the mark claimed and in particular as compared with the word ‘limoncello’. It is therefore dominant in relation to the other elements of the mark claimed”; annulled by judgment of 12 June 2007, *OHIM v Shaker*, C-334/05 P, EU:C:2007:333, ¶ 42; see also, to that effect, the judgment of 20 September 2007, *Nestlé v OHIM (QUICKY)*, C-193/06 P, EU:C:2007:539, ¶ 43.

When the case was remitted to the General Court for a second examination, it then, remarkably, held the complete opposite, namely that the image of the lemons on a round plate did not attract the consumers' attention and that the word element in the trademark applied for was the dominant one.⁹² Since the senior mark consisted solely of the word element "Limonchelo" and the composite mark contained the word "Limoncello," the General Court decided that the signs were similar and there was a likelihood of confusion. It added that the finding that the word "Limoncello" dominates the overall impression of the composite mark is not called into question by the argument that this word lacks distinctiveness because it is descriptive. However, without examining whether the word "limoncello" is descriptive to the relevant public, it should be recalled—the court said—that in any case, the weak distinctive character of an element of a composite mark does not necessarily mean that it cannot be a dominant element, since it may catch the eye of the consumer and remain in his or her memory, in particular because of its position within the sign or its dimensions.⁹³

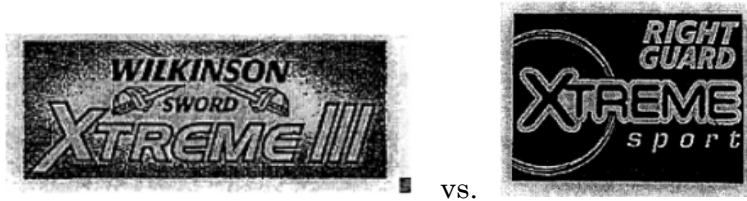
- the proprietor of the senior French trademark LES PAGES JAUNES (French for "the yellow pages") successfully opposed the registration of the EU trademark PAGESJAUNES.COM despite its very weak distinctive character and the implicit finding that the designation "yellow pages" is generic.⁹⁴
- the proprietor of the senior German composite mark consisting of the words WILKINSON, SWORD, and XTREME III successfully opposed the application for registration as an EU trademark of a composite mark including the words "XTREME," "RIGHT GUARD," and

⁹² Judgment of 12 November 2008, *Shaker v OHIM* (Limoncello della costiera amalfitana shaker), T-7/04, EU:T:2008:481, ¶¶ 42: "Inasmuch as the figurative component of the trade mark applied for consists solely of a round plate decorated with lemons, that component does not attract the attention of the average consumers of the goods in question, who are regularly confronted with images of lemons affixed to lemon-based liqueurs. The word which the relevant public will remember is, rather, the word 'limoncello', in view of its prominent location and its position in relation to the other components, the fact that it is written in large white letters on a blue background, which makes it stand out from that background, and its size as compared with all the other word components of that composite mark."

⁹³ Judgment of 12 November 2008, *Shaker v OHIM* (Limoncello della costiera amalfitana shaker), T-7/04, EU:T:2008:481, ¶ 44, with reference to judgments of 13 June 2006, *Inex v OHIM* (figurative mark consisting of the representation of a cowhide), T-153/03, EU:T:2006:157, ¶ 32, and of 13 December 2007, *Xentral v OHIM* (PAGESJAUNES.COM), T-134/06, EU:T:2007:387, ¶ 54; and of 13 July 2004, *AVEX v OHIM* (AHLERS (A)), T-115/02, EU:T:2004:234, ¶ 20.

⁹⁴ Judgment of 13 December 2007, *Xentral v OHIM* (PAGESJAUNES.COM), T-134/06, EU:T:2007:387, ¶ 70.

“SPORTS.” According to the General Court, the term “XTREME” was dominant both in the senior and junior mark:⁹⁵



- the proprietor of the senior Portuguese mark BANKY, for financial services, successfully opposed the registration as an EU trademark of the composite sign BANKIA. The utterly weak distinctiveness of the common element “BANK” did not prevent the finding of overall similarity between the two signs, resulting in likelihood of confusion. The General Court did not take into account the degree of distinctiveness of the senior mark in its global assessment of likelihood of confusion:⁹⁶



- the proprietor of the senior Bulgarian mark EASYCREDIT successfully opposed the registration as an EU trademark of the mark E@SYCREDIT, both in relation to, inter alia, financial services in Class 36, on the grounds of likelihood of confusion. Although the General Court found that the average Bulgarian consumer would easily understand the descriptive meaning of the common word element, it held that the word occupied a very dominant position and did not attribute any specific impact to the weak distinctive character of the senior mark in the global assessment of the likelihood of confusion:⁹⁷

⁹⁵ Judgment of 13 April 2005, *Gillette v OHIM (RIGHT GUARD XTREME SPORT)*, T-286/03, EU:T:2005:126, 82.

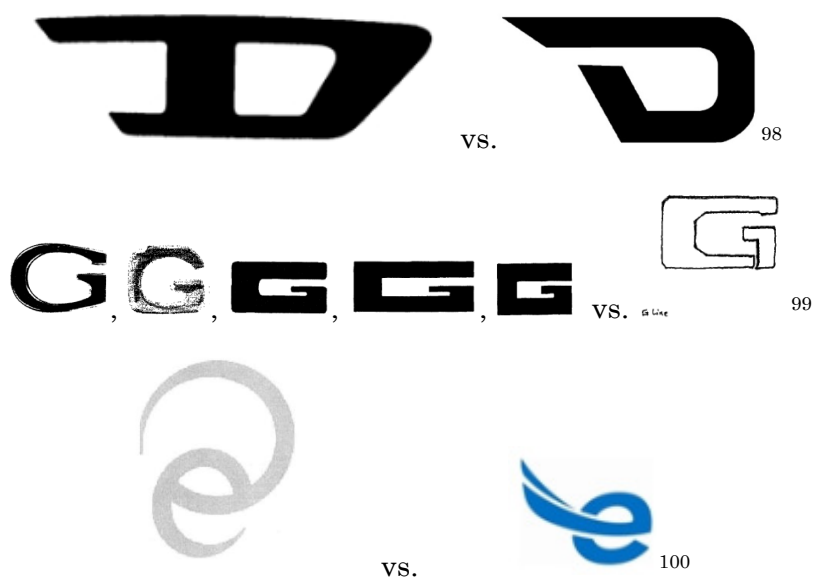
⁹⁶ Judgment of 17 September 2015, *Bankia v OHIM (Bankia)*, T-323/14, EU:T:2015:642, ¶ 73.

⁹⁷ Judgment of 20 July 2016, *TeamBank v EUIPO (e@sy Credit)*, T-745/14, EU:T:2016:423, ¶ 43.



The same conclusions apply to single letter marks. Especially following the *ALPHA* judgment declaring single letters without striking stylization to be eligible for registration (see above Section II.B), single letter marks were often afforded protection against junior trademarks consisting of the same single letter, despite differences in stylization or additional figurative or word elements:

- In the following cases, for instance, the General Court held that the senior marks depicted below on the left consisting of stylized single letters were sufficiently similar at the visual, phonetic and conceptual level to the EU trademarks applied for depicted on the right for there to be a likelihood of confusion:



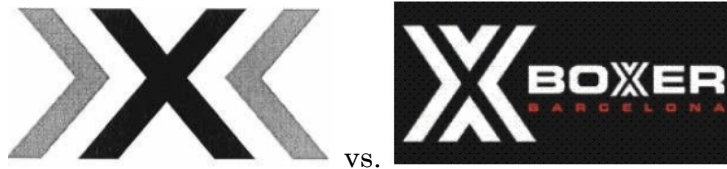
- In another matter, the owner of the senior EU trademark depicted on the left, consisting of a highly stylized letter “X,” successfully opposed the registration of a composite mark

⁹⁸ Judgment of 20 July 2017, *Diesel v EUIPO* (figurative mark representing a curved and angled line), T-521/15, EU:T:2017:536, 33-37.

⁹⁹ Judgment of 10 May 2011, *Emram v EUIPO* (figurative mark “G”), T-187/10, EU:T:2011:202, 63.

¹⁰⁰ Judgment of 14 March 2017, *Edison v EUIPO* (figurative mark “e”), T-276/15, EU:T:2017:163, 25.

composed of a differently stylized letter “X” and the words “BOXER” and “BARCELONA,” both in relation to clothing. Even if the single letter was found to be weakly distinctive, it nevertheless occupied a dominant position in the junior mark:¹⁰¹



In another notable case, Michelin succeeded in opposing the application for registration of the EU word mark XKING on the basis of its senior French mark X, both for goods in Class 12 (tires). The Court of Justice reiterated its jurisprudence finding that the General Court could lawfully rule that there is a likelihood of confusion even with respect to an senior mark with weak distinctive character, such as a single letter, in particular, due to the similarity of the signs and the identity or similarity of the goods in question:¹⁰²



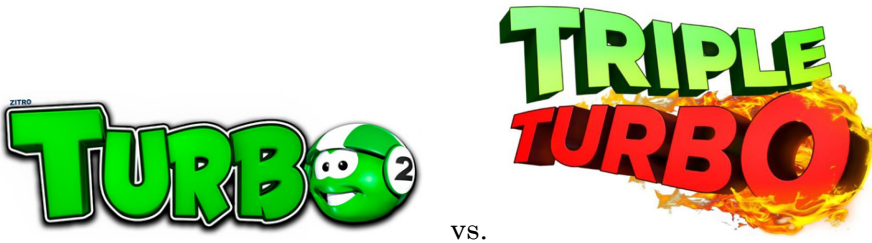
That lenient approach was, with a few exceptions, applied fairly consistently.¹⁰³ The exceptions usually concerned cases in which a likelihood of confusion was rejected mostly on the grounds that the common weakly distinctive component in the *opposed* mark, and independently of the degree of distinctiveness of the senior mark, acquired a descriptive or non-distinctive meaning through its use in combination with other components, and therefore did not retain an “autonomous distinctive position” in that mark. In other words, the General Court in those cases concluded that there was a very low

¹⁰¹ Judgment of 15 October 2019, Boxer Barcelona v EUIPO (figurative mark X BOXER BARCELONA), T-582/18, EU:T:2019:747, 87.

¹⁰² Judgment of 26 July 2017, Continental Reifen Deutschland v Compagnie Générale des Établissements Michelin (XKING), C-84/16 P, EU:C:2017:596, ¶ 100.

¹⁰³ See, inter alia, J. Muyldermans & P. Maeyaert, *The Likelihood of Confusion in Trademark Law: A Practical Guide to the Case Law of EU Courts*, 165 et seq, citing inter alia judgments of 11 February 2015, Fetim v OHIM (SOLIDFLOOR), T-395/12, EU:T:2015:92, ¶¶ 32-34; of 27 October 2010, Michalakopoulou Ktimatiki Touristiki v OHIM (FREE), T-365/09, EU:T:2010:455, ¶ 39; of 13 April 2015, Gillette v EUIPO (RIGHT GUARD XTREME SPORT), T-286/03, EU:T:2005:126, ¶ 55; of 16 July 2014, Endoceutics v OHIM (FEMIVIA), T-324/13, EU:T:2014:672, ¶ 36; of 6 June 2013, McNeil v OHIM (NICORONO), T-580/11, EU:T:2013:301, ¶¶ 61-62; and of 20 November 2017, Stada Arzneimittel v EUIPO (IMMUNOSTAD), T-403/16, EU:T:2017:824, ¶¶ 26-27.

degree, or even a complete lack, of similarity in the second stage without attaching great importance to the weak distinctiveness of the senior mark in the third stage.¹⁰⁴ Only exceptionally did the General Court decide that there was no likelihood of confusion because the added (weak figurative) elements cancelled out similarity between non-distinctive word elements (in this case: “turbo” for slot machines in Class 28):¹⁰⁵



In any case, the above majority opinion in case law showcased granting excessive protection to a weak mark or its weakly distinctive components in the second stage, i.e. when assessing the similarity between senior mark and junior mark, and that a high degree of similarity was usually not corrected in the third stage. At that stage, the degree of similarity can be put more adequately into perspective if the senior mark has only weak distinctive character. Those excesses may have led to a significant shift in the last few years where EUIPO and the General Court have given more importance to the weakness of the senior mark in the third stage, i.e. when assessing the likelihood of confusion globally.

V. THE EVOLUTION TOWARD A MORE LIMITED SCOPE OF PROTECTION FOR WEAK MARKS IN *MASTERS*, *MATS HANSSON*, *PRIMART*, AND *EQUIVALENZA*

The EU Courts' lenient approach was questionable to some extent. Although that line of jurisprudence initially only held that a likelihood of confusion was “not excluded” for weakly distinctive marks, in particular when the goods or services were identical or highly similar and thus should be the exception rather than the rule,

¹⁰⁴ See, in particular, judgments of 21 March 2012, Volkswagen v OHIM (SWIFT GTi), T-63/09, EU:T:2012:137, ¶ 91; of 22 June 2010, CM Capital Markets v OHIM (CARBON CAPITAL MARKETS), T 490/08, EU:T:2010:250, ¶ 66; of 13 May 2015, easyAir-tours, T-608/13, EU:T:2015:282, ¶ 65-66; of 13 May 2015, Deutsche Post v OHIM (TPG POST), T-102/14, EU:T:2015:279, ¶¶ 51, 72; of 27 June 2017, Deutsche Post v EUIPO (PostModern), T-13/15, EU:T:2017:434, ¶ 52; and of 20 February 2018, Deutsche Post v EUIPO (BEPOST), T-118/16, EU:T:2018:86, ¶ 91.

¹⁰⁵ Judgment of 22 February 2018, Int'l Gaming Projects v EUIPO (TRIPLE TURBO), T-210/17, EU:T:2018:91, ¶ 75.

in practice the EU Courts generally, and quasi-automatically, concluded that there was a likelihood of confusion in such cases. Moreover, this case law not only led to the protection of the descriptive component of a composite mark as part of a combination of similar signs, or with the addition of other weakly distinctive components, but also led to the conclusion of likelihood of confusion purely on the basis of similarity owing to a common weakly distinctive element, albeit dominant. In a series of judgments, the Court of Justice has created maneuvering space for the EUIPO and the General Court to follow a stricter approach, within the limits of the previously established principles.

In *MASTERS*, the proprietor of the senior figurative French mark depicted below opposed applications for registration of some EU trademarks containing the word “master” (MASTER PRECISE, MASTER SMOKY, MASTER SHAPE, MASTER DUO, and MASTER DRAMA), all in relation to cosmetics in Class 3. The Court of Justice recognized the different approaches in case law. Referring to the jurisprudence of the General Court in *TRIPLE TURBO*, cited above, the Court of Justice set aside the judgment of the General Court or failure to examine, in the global assessment of likelihood of confusion, whether the similarity of the signs was found exclusively due to a common component with a weak distinctive character, and the impact such a finding could have on the global assessment of the likelihood of confusion.¹⁰⁶



In *MATS HANSSON* (concerning the Swedish application for “ROSLAGSÖL,” with “Roslags” referring to a Swedish region and “öl” being Swedish for beer), the Court of Justice subsequently recognized for the first time that the distinctiveness of the senior

¹⁰⁶ Judgment of 30 May 2018, *L’Oréal v EUIPO (MASTER SMOKY)*, joined cases C-519/17 P & C-522/17 P to C-525/17 P, EU:C:2018:348, ¶ 73. However, in the subsequent referral case, the General Court held that the average French consumer will not consider the word “MASTER” to be merely allusive of the characteristics of cosmetics, so that it has at least some degree of distinctiveness, resulting in an obvious likelihood of confusion. The General Court also based that on the finding that the other elements differentiating the marks (such as “colors,” “paris,” or “precise”) if any, have an even lower degree of distinctiveness (see judgment of 19 June 2019, *L’Oréal v EUIPO (MASTER PRECISE)*, T-181/16 RENV, EU:T:2019:429, ¶ 87). The subsequent application for leave to appeal to the Court was rejected (see order of 7 October 2019, C-588/19 P, EU:C:2019:843).

mark clearly also reflects the other side of the coin: marks with a highly distinctive character enjoy a larger scope of protection, but the opposite is also true: descriptive, non-distinctive or weakly distinctive elements of a composite mark (whether or not mentioned in a disclaimer such as that at issue in the main proceedings) generally have less weight in the analysis of the similarity between the signs than elements of greater distinctiveness, which are also more able to dominate the overall impression created by the mark. Referring to the case law in *COMPRESSOR TECHNOLOGY*, among others, the Court of Justice emphasized that a likelihood of confusion based on a common component with weak distinctive character “cannot . . . be ruled out in advance and in any event,” but adds, in the same vein, that:

where the senior trademark and the sign whose registration is sought coincide in an element that is weakly distinctive or descriptive with regard to the goods or services at issue, the global assessment of the likelihood of confusion (...) will admittedly not often lead to a finding that that likelihood exists.¹⁰⁷

PRIMART concerned a conflict between the senior Spanish mark PRIMA and the composite sign PRIMART, both in relation to food products in Class 30. The Court of Justice stressed that the assessment of the degree of distinctiveness of the senior mark is a question of law necessary for the correct interpretation of likelihood of confusion, such that the argument may be raised for the first time in the proceedings before the General Court. In that regard, the Court of Justice reiterated that where the marks overlap only in a weak element, this rarely leads to a likelihood of confusion, even if the goods are identical.¹⁰⁸



¹⁰⁷ Judgment of 12 June 2019, *Patent- och registreringsverket v Hansson (ROSLAGSÖL)*, C-705/17, EU:C:2019:481, ¶¶ 53-55.

¹⁰⁸ Judgments of 18 June 2020, *Primart v EUIPO (PRIMART Marek Łukasiewicz)*, C-702/18 P, EU:C:2020:489, ¶¶ 43, 53; and of 5 March 2020, *Foundation for the Protection of the Traditional Cheese of Cyprus v EUIPO (BBQLOUMI)*, C-766/18 P, EU:C:2020:170, ¶ 70. However, despite the Court of Justice's clear prelude, the General Court in its subsequent second decision again concluded that there was a likelihood of confusion, inter alia because the average Spanish consumer would perceive the Latin word “primus” (or in its feminine form: “prima”) as an ordinary numeric adjective having, remarkably, average distinctiveness (see judgment of 28 April 2021, *Primart v EUIPO (PRIMART Marek Łukasiewicz)*, T-584/17 RENV, EU:T:2021:231, ¶¶ 83, 107).

Shortly after that, Advocate General Saugmandsgaard Øe in his opinion in *EQUIVALENZA*¹⁰⁹ raised clearer objections for the first time by pointing out that a descriptive component is less capable of attracting the attention of consumers. Such component should therefore have a more limited impact on the overall impression of the signs, which results in the general rule that similarity lying in a common weak element will at most produce a very low degree of overall similarity at the second stage.¹¹⁰ While there is, admittedly, a settled line of case law that assumes confusion between marks with low similarity independently of the weak distinctive character of the marks or elements thereof, where the goods or services are identical,¹¹¹ according to the Advocate General that leads to “overprotection” of weak marks, describing those judgments as “a drift.” In other words, where the likelihood of confusion increases in direct proportion to the distinctive character of the mark, the opposite is also true:

With regard to a trademark with a weak distinctive character, and which thus has a lesser capacity to identify the goods or services for which it has been registered as coming from a particular undertaking, the degree of similarity between the signs should be high to justify a likelihood of confusion, or this would risk granting excessive protection to that trademark and its proprietor.¹¹²

This marks a clear departure from the earlier lenient approach.

VI. WEAK MARKS ENJOY A (VERY) LIMITED SCOPE OF PROTECTION: CURRENT STRINGENT APPROACH BY EU COURTS

These considerations have subsequently begun to resonate more profoundly within the case law of the General Court. The 2019 reform of the Rules of Procedure for appeals against judgments of the General Court before the Court of Justice further increased the impact of the General Court’s decision-making practice, as it is now

¹⁰⁹ Judgment of 4 March 2020, *EUIPO v Equivalenza Manufactory (BLACK LABEL BY EQUIVALENZA)*, C-328/18 P, EU:C:2020:156.

¹¹⁰ With reference, inter alia, to the judgments of 12 June 2019, *Patent- och registreringsverket v Hansson (ROSLAGSÖL)*, C-705/17, EU:C:2019:481, ¶ 53; of 5 April 2006, *Saiwa v EUIPO (SELEZIONE ORO BARILLA)*, T-344/03, EU:T:2006:105, ¶¶ 32-38; and of 13 May 2015, *easyGroup IP v OHIM (easyAir-tours)*, T-608/13, EU:T:2015:282, ¶¶ 35-42.

¹¹¹ Citing, inter alia, the judgments of 8 December 2005, *Castellblanch v OHIM (CRISTAL CASTELLBLANCH)*, T-29/04, EU:T:2005:438, ¶ 29; of 22 March 2007, *Brinkmann v OHIM (Terranus)*, T-322/05, EU:T:2007:94, ¶ 41; of 27 February 2014, *Pêra-Grave v OHIM (QTA S. JOSÉ DE PERAMANCA)*, T-602/11, EU:T:2014:97, ¶ 61; and of 4 December 2014, *BSH v OHIM (KOMPRESSOR)*, T-595/13, EU:T:2014:1023, ¶ 28.

¹¹² Opinion of Advocate General Saugmandsgaard Øe of 14 November 2019, *EUIPO v Equivalenza Manufactory SL*, C-328/18 P, EU:C:2019:974, ¶ 83.

de facto the final instance in such cases. Pursuant to the new Article 58a of the Statute of the Court of Justice and Article 170a of the Rules of Procedure, any appellant must file for prior leave to appeal indicating that the question of law to be heard by the Court of Justice is “relevant for the unity, consistency or development of Union law.” In a consistent line of decisions, the Court of Justice has since then shown strong resistance to allowing appeals to proceed and has, in fact, not allowed a single appeal that concerned questions of substantive trademark law such as likelihood of confusion. In several decisions, the Court of Justice has indicated that an alleged violation by the General Court of the principles concerning the global assessment of the likelihood of confusion developed in the case law of the Court of Justice, including the importance of weakly distinctive elements, does not in itself demonstrate that such a violation of law, even if proven, would bear significant relevance for the unity, consistency or development of Union law.¹¹³ The Court of Justice thereby assigns responsibility for the correct application of the likelihood of confusion analysis nearly exclusively to the General Court. Despite such enlarged powers and authority, the case law of the General Court, however, has since appeared anything but consistent.

Unquestionably, as the below examples will demonstrate, the majority line in the General Court’s case law has taken a more stringent approach to the protection of weak marks. These recent decisions appear to distance themselves from the previous Court of Justice’s more lenient approach (see above, Section IV), which created the impression that weak marks should enjoy an equivalent scope of protection as marks with a normal distinctive character. This shift in the General Court’s practice was first to be observed in a conflict between the senior Spanish mark NATURALIUM and the applied-for EU trademark NATURANOVE, both for cosmetic products in Class 3. The Court found a low degree of similarity between the signs, as the common element “NATURA,” although not directly descriptive, was at least highly suggestive. In addition, the low degree of similarity between the signs was held insufficient for leading to confusion. At paragraph 56 of the ruling, the General Court explicitly referenced the Advocate General’s opinion in *EQUIVALENZA* and approved the rule that for senior marks with weak distinctiveness:

¹¹³ See Orders of 29 October 2020, *Kerry Luxembourg v EUIPO*, C-305/20 P, EU:C:2020:882, ¶ 20; of 5 December 2022, *Tigercat Int’l v EUIPO*, C-612/22 P, EU:C:2022:959, ¶ 14; of 14 July 2023, *Canai Tech. v EUIPO*, C-280/23 P, EU:C:2023:596, ¶ 17; of 24 March 2023, *Primagran v EUIPO*, C-735/22 P, EU:C:2023:261, ¶ 15; and of 17 October 2022, *SFD v EUIPO*, C-383/22 P, EU:C:2022:799, ¶ 15.

the degree of similarity between the signs should be high to justify a likelihood of confusion, or this would risk granting excessive protection to that trademark and its proprietor.¹¹⁴

The General Court even went so far as adding a policy statement at paragraph 71, in that:

although a company is free to choose a trademark with a low degree of distinctiveness and use it on the market, it must accept, however in doing so, that competitors are equally entitled to use trademarks with similar or identical descriptive components.¹¹⁵

Consequently, despite the identity between the goods and the low, but admittedly certain, degree of similarity between the marks NATURALIUM and NATURANOVE, there was no likelihood of confusion. The below selection of decisions shows the General Court has since then adopted an ever more stringent approach. The cases are grouped according to the category of marks to which they belong.

A. Descriptive Verbal Components of Suggestive Word Marks

As discussed above, a (word) mark may be weak because it contains (verbal) components that are, in the perception of the targeted public, descriptive of the goods or services in question. Such marks may nevertheless be valid because as a whole they merely allude to the characteristics of goods or services. That is the case, for example, where a word mark as a whole contains a distinctive prefix or suffix so that it does not directly describe goods or services but merely hints at their characteristics or triggers a thinking process. Where similarity with another mark lies solely in the descriptive element, that will lead to a rather low degree of overall similarity in the second stage of the examination. Furthermore, because of the weak distinctive character of the senior mark, it leads to absence of likelihood of confusion in the third stage. That was true for the following conflicts:

- The Spanish word mark SANODIN for pharmaceutical products in Class 5 could not successfully be held against the EU trademark application for the word “SANOLIE” for cosmetic products in Class 3. The General Court held that the Spanish public would perceive the prefix “sano” as describing the intended use of the goods, namely that they benefit health. This leads to an overall rather low degree of similarity between the marks, while the senior mark enjoys

¹¹⁴ Opinion of Advocate General Saugmandsgaard Øe of 14 November 2019, EUIPO v Equivalenza Manufactory SL, C-328/18 P, EU:C:2019:974, ¶ 83.

¹¹⁵ Judgment of 5 October 2020, Eugène Perma France v EUIPO (NATURANOVE), T-602/19, EU:T:2020:463, ¶ 71.

only a weak distinctive character owing to its suggestive nature.¹¹⁶

- The opposition based on the EU word mark VÉGÉ against the EU trademark for the word VEGE STORY for identical food products in Classes 29 and 30 was rejected because word elements “végé” and “Vege” refer to the “vegetarian” nature of the products and thus have very weak distinctiveness.¹¹⁷
- The EU word mark CARDIOFORM could not be held against the EU trademark application for the word CARDIOFLOW, both for identical medical apparatus in Class 10, as the senior mark was considered overall weak and the similarity between the marks lay primarily in the descriptive component “CARDIO-.”¹¹⁸
- The opposition based on the EU word mark CURRY KING against the EU trademark application for CHIPSY KINGS, both in relation to foodstuffs in Class 30, was rejected. The common term “king” was held to be used in the laudatory sense of “the best,” so that it could be understood as praising the quality of the goods in question. Accordingly, similarity lay only in a weak element, even if the remaining different components (“curry” and “chipsy”) were not very distinctive either.¹¹⁹

B. Descriptive Verbal Components of Word and Device Marks

As discussed above, a composite mark may be weak because it contains components that are, in the perception of the relevant public, descriptive of the goods or services. Such marks may nevertheless be valid because (weakly) distinctive words or device elements are added to them, so that the marks as a whole possess a minimum degree of distinctiveness. Where signs are similar only because of a common descriptive element, EU Courts held in a number of cases that the degree of similarity was rather low and placed greater emphasis on the differing (visual) components. The weak distinctive character of the senior mark therefore ultimately led to absence of a likelihood of confusion in the third stage of the examination. That was true for the following selection of trademark

¹¹⁶ Judgment of 24 March 2021, *Laboratorios Ern v EUIPO (SANOLIE)*, T-175/20, EU:T:2021:165, 99.

¹¹⁷ Judgment of 26 July 2023, *Topas v EUIPO (VEGE STORY)*, T-434/22, EU:T:2023:426, ¶ 61. *Also see* judgment of 8 November 2023, *SkinIdent v EUIPO (NIVEA SKIN-IDENTICAL Q10)*, T-665/22, EU:T:2023:70.

¹¹⁸ Judgment of 6 November 2024, *W.L. Gore v EUIPO (Cardioflow)*, T-1146/23, EU:T:2024:789, ¶ 77.

¹¹⁹ Judgment of 11 December 2024, *Meica v EUIPO (CHIPSY KINGS)*, T-157/24, EU:T:2024:891, ¶ 68.

conflicts (all relating to junior EU trademarks or trademark applications):¹²⁰

- EU word mark SHOPIFY versus a figurative sign consisting of the word elements “shoppi,” inter alia, for retail services in Class 35: despite its position at the beginning of both signs, the common element “shop” is not suitable to dominate both marks because of its weak distinctive character, meaning the short endings and the figurative elements gain more impact. Consequently, there is no likelihood of confusion, despite identity of services and a medium to low degree of similarity on the aural, visual, and conceptual level:¹²¹



- The composite EU trademark consisting, inter alia, of the word M BANK, versus a composite mark containing the word elements EM BANK, both for financial services in Class 36: contrary to the *BANKIA* decision discussion above at Section IV, the General Court found that any similarity owing to the non-distinctive element “bank” was negligible, as this element alone was not capable of dominating the overall impression of the marks:¹²²



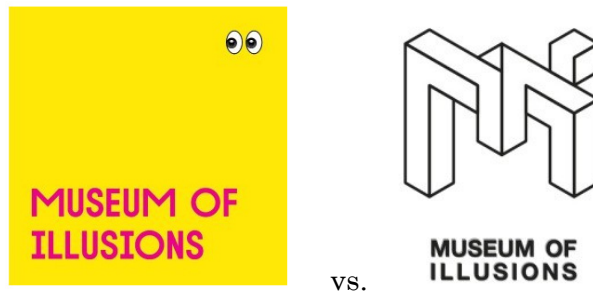
- Two composite marks each consisting of the words “Museum of Illusions” and different figurative elements, both for services in Class 41: the General Court ruled, contrary to the

¹²⁰ Judgments of 25 October 2023, *Olimp Laboratories v EUIPO* (HPU AND YOU), T-511/22, EU:T:2023:673; of 20 December 2023, *Pierre Blamain v EUIPO* (figurative mark consisting of stylized lion’s head), T-564/22, EU:T:2023:851; of 26 July 2023, *Mood Media Netherlands v EUIPO* (RADIO MOOD), T-663/22, EU:T:2023:430; of 26 July 2023, *Mood Media Netherlands v EUIPO* (VIDEOMOOD), T-664/22, EU:T:2023:431; of 7 June 2023, *DDR Kultur v EUIPO* (THE PLANET), T-47/22, EU:T:2023:311; of 29 March 2023, *Plusmusic v EUIPO* (+music), T-344/21, EU:T:2023:166; and of 10 April 2024, *Häcker Küchen v EUIPO* (MH Cuisines), T-42/23, EU:T:2024:222, ¶¶ 88, 94.

¹²¹ Judgment of 12 October 2022, *Shopify v EUIPO* (Shoppi), T-222/21, EU:T:2022:633, ¶¶ 123-125; appeal pending (C-751/22 P) but concerning different legal question (namely, relevant point in time for assessing reputation of the senior mark).

¹²² Judgment of 12 July 2023, *mBank v EUIPO* (EM BANK European Merchant Bank), T-261/22, EU:T:2023:396, ¶¶ 88, 125.

EUIPO Board of Appeal, that because of their weak distinctive character, the word elements would not be considered as having more impact than the figurative elements, which, because of their size, ranked at least equally in the overall impression. Despite identity between the signs on a phonetic and conceptual level, similarity lay only in the weakly distinctive word elements. In addition, the senior mark, because of its weak distinctive character, “enjoys less extensive protection and therefore the likelihood of confusion is, in such a case, lower”:¹²³



- The composite EU trademarks pictured below, both prominently containing the word elements “YOGA ALLIANCE,” both in relation to educational services in Class 41: because of their descriptive nature, these word elements were considered incapable of dominating the overall impression of the marks. In light of the significant visual differences, finding a likelihood of confusion on that ground alone would lead to “excessive protection” of the descriptive word elements:¹²⁴



- The German figurative mark consisting of the words “PARIS BAR” in slight stylization versus an EU trademark

¹²³ Judgment of 21 May 2021, *Metamorfoza v EUIPO (MUSEUMS OF ILLUSIONS)*, T-70/20, EU:T:2021:253, ¶¶ 91-95.

¹²⁴ Judgment of 18 January 2023, *YApplus v EUIPO (YOGA ALLIANCE INDIA INTERNATIONAL)*, T-443/21, EU:T:2023:7, ¶¶ 118.

application for a composite sign containing the words “BAR PARIS,” both in relation to identical goods and services in Classes 29, 30, and 43: given that the word elements have a very weak distinctive character, the different stylization was sufficient to rule out likelihood of confusion:¹²⁵



- Various national marks registered in EU Member States consisting of the words “SNACK’IN” and “CAMPOFRIO” versus an EU trademark application for a composite sign containing the words “SNACK MI”: the common word “snack” belongs to the basic English vocabulary and will therefore be considered descriptive by consumers throughout the EU; as a result, the importance of the visual differences increases and excludes a likelihood of confusion:¹²⁶



- The composite EU trademark consisting of the words “RED QUEEN” versus an application for the EU word mark CHIQUITA QUEEN, both in relation to fresh fruits in Class 31: unlike the Board, the General Court held that the term “chiquita” within the mark applied for had an enhanced distinctive character through use, whereas the word “queen” was a basic English word widely understood throughout the EU, which had a laudatory character referring to “high social status”:¹²⁷

¹²⁵ Judgment of 13 March 2024, Kantstraße Paris Bar v EUIPO (BAR PARIS), T-117/23, EU:T:2024:163, ¶¶ 100-103.

¹²⁶ Judgment of 20 December 2023, Campofrio Food Group v EUIPO (SNACK MI), T-736/22, EU:T:2023:852, ¶¶ 44, 94-95.

¹²⁷ Judgment of 29 May 2024, Chiquita Brands v EUIPO (CHIQUITA QUEEN), T-79/23, EU:T:2024:327, ¶¶ 46-57.



- The Danish word mark KING'S versus an EU trademark application for a composite sign containing the words "AROMA KING" in relation to tobacco products in Class 34: the word "KING" did not dominate the mark applied for to the point of making the other elements secondary, while furthermore conveying a laudatory message such as "the best in its field." Even if the word "aroma" was equally weak, the distinctive character of the mark applied for lay in the combination of those elements conveying the unitary meaning of the "king of aroma." Thus, the weakness of the common element significantly reduced its weight in the comparison of the signs in the second stage of the assessment, leading to a low degree of similarity:¹²⁸



- The French word mark HYDRABIO versus an EU trademark application for a composite sign containing the word elements "HYDRA-" and "BIOME": even if these verbal components were not negligible within the composite mark, they designated the hydrating and natural characteristics of the common goods in Class 3, such as cosmetics, so that their impact on the assessment of similarity was insignificant:¹²⁹

¹²⁸ Judgment of 6 November 2024, *House of Prince v EUIPO (AROMA KING)*, T-118/23, EU:T:2024:778, ¶¶ 37-41, 48-56; in the same sense, see judgment of 11 December 2024, *Meica v EUIPO (CHIPSY KING)*, T-157/24, EU:T:2024:891, ¶ 66.

¹²⁹ Judgment of 13 September 2023, *Korres v EUIPO (figurative mark EST. KORRES 1996 HYDRA-BIOME)*, T-328/22, EU:T:2023:533, 107.



- various word and figurative marks containing the words “TOUR DE FRANCE” versus an EU trademark application for a composite mark containing the word elements “TOUR DE X,” inter alia, in relation to sporting services in Class 41: the words “tour de” were found entirely descriptive as they are commonly used for cycling events. Not being dominant either, they ranked equally with the additional elements (“France” and “X,” respectively). Accordingly, the marks were found similar to a low degree.



It is worth highlighting that any enhanced distinctiveness resulting from extensive use, according to the General Court, strictly pertained to the senior mark as a whole, and not the component “tour de.” It could, therefore, not make up for the weakness of the words “tour de.”¹³⁰ As discussed above at Section III.B.5, this decision illustrates that a reputation of the senior mark generally relates to that mark in its entirety, rather than its descriptive or non-distinctive components, and in any event cannot overcome the lack of relevant similarity between the conflicting signs at the second stage of the examination.

This line of cases seems to represent the current majority view within the General Court. Only if the General Court finds that the common and apparently descriptive element should still be attributed normal distinctive character does this lead to a more-than-average degree of overall similarity and, consequently, a

¹³⁰ Judgment of 12 June 2024, *Société du Tour de France v EUIPO (TOUR DE X)*, T-604/22, EU:T:2024:377, ¶ 65.

likelihood of confusion. It should be stressed that such conclusions are fact-intensive and in most cases depend on the relevant public to be taken into account from a territorial or linguistic perspective, which, in turn, depends on the geographic scope of the senior mark relied upon (i.e., an EU-wide public or a public confined to one or more Member States). Indeed, as highlighted above at Section II.C when discussing the *Matratzen* and *Bimbo Doughnuts* cases, the EU public's presumed knowledge of a foreign (often: English) language varies considerably throughout the EU. In the following selection of cases, the finding of a likelihood of confusion was based primarily on the grounds that the relevant public in a part of the EU would not understand the descriptive meaning of the common word element; therefore, that public perceives it as meaningless or even "fanciful":

- The composite EU trademark consisting of the word "CRUNCH" versus an EU trademark application for the word sign TIFFANY CRUNCH N CREAM, both in relation to confectionery in Class 30: the non-English-speaking public in the EU, including in France and Spain, cannot be presumed to know the meaning of the word "crunch" and therefore perceives it as a distinctive element:¹³¹



- The senior figurative EU trademark FRUTARIA versus an EU trademark application for the stylized word "FRUTANIA," both for fresh fruit in Class 31: the average consumer in Eastern European Member States such as Poland and Hungary is not familiar with the meaning of the Spanish word "fruta," so that similarity lies in an element with a medium degree of distinctiveness, which is moreover likely to dominate the overall impression of those marks:¹³²

¹³¹ Judgment of 15 November 2023, *International Foodstuffs v EUIPO (TIFFANY CRUNCH N CREAM)*, T-321/22, EU:T:2023:715, ¶ 51.

¹³² Judgment of 26 July 2023, *Schneider v EUIPO (frutania)*, T-109/22, EU:T:2023:423, ¶¶ 62-63.



- The English-speaking public does not know the meaning of the word “granulat” (the Court made no reference to the English term “granulate”) so that confusion is likely to occur between the international mark designating the EU consisting of the words GRANULAT 2000 and the application for registration as an EU trademark of the composite mark GRANULAT both for identical goods (such as plastics and granulates) in Classes 1 and 17. This is especially true since the other elements (such as the figures “2000” and the figurative elements consisting of simple geometric shapes) are even less distinctive than the word elements; thus those figurative components play a secondary role.¹³³



- The average Spanish consumer is not familiar with the meaning of the word “true,” but is familiar with the word “skin.” As a result, a likelihood of confusion was found between a senior figurative EU word mark TRUE and an EU trademark application for the word mark TRUE SKIN, both in relation to cosmetics in Class 3.¹³⁴

¹³³ Judgment of 6 September 2023, Chmielarz v EUIPO (granulat), T-557/22, EU:T:2023:50, ¶¶ 72-73.

¹³⁴ Judgment of 6 September 2023, Bora Creations v EUIPO (TRUE SKIN), T-576/22, EU:T:2023:509, ¶ 71; in the same vein, neither Spanish nor Italian consumers are familiar with the meaning of the German word “kauf,” so that confusion between composite trademarks containing the word components “KAUFLAND” and “KAUFDAS” is likely (*see, generally*, judgment of 13 September 2023, Kaufdas.online v EUIPO (KAUFDAS ONLINE), T-488/22, EU:T:2023:537).



- The average Hungarian, Spanish, and Italian consumers are not familiar with the meaning of the English word “health,” so that the element has normal distinctiveness; it follows that confusion is likely between the two figurative marks below in which the word “health” occupies a dominant position, both in relation to pharmaceutical products in Class 5, despite a heightened level of attention on the part of the relevant consumers:¹³⁵



- The average Italian consumer is not familiar with the meaning of the component HYAL, referring to “hyaluronic acid,” even though is frequently used as a (descriptive) part of a mark or in the ingredient list of products. Accordingly, the owner of the senior Italian mark HYAL prevailed against the application for registration as an EU word mark of the sign HYALERA.¹³⁶

Conversely, where the public throughout the EU is not familiar with a component differentiating the marks, like “Persia,” that element will be regarded as more distinctive and therefore weigh against any similarity owing to the common weak component (such as “fly”), so that the marks are not confusingly similar:¹³⁷

¹³⁵ Judgment of 17 April 2024, Unilab v EUIPO (HEALTHILY), T-288/23, EU:T:2024:241, ¶ 78. Along the same lines, the average Bulgarian public is not familiar with the meaning of the English word “pay,” so that a likelihood of confusion between the marks GPAY and EPAY is obvious (judgment of 12 June 2024, Google v EUIPO (GPAY), T-78/23, EU:T:2024:378, ¶ 57).

¹³⁶ Judgment of 18 September 2024, Fidia Farmaceutici v EUIPO (HYALERA), T-497/23, EU:T:2024:627, ¶¶ 44-66. In the same vein, there is confusion between the Italian word mark SWIPE and the application for registration as an EU trademark of the word mark KinkySwipe, both in relation to online dating services, as the Italian consumer is unfamiliar with the meaning of those words (judgment of 14 May 2025, Karneolis v EUIPO (KinkySwipe), T-332/24, EU:T:2025:489, 51).

¹³⁷ Judgment of 22 January 2025, Fly Persia v EUIPO (flyPersia), T-30/23, EU:T:2025:54, ¶ 41.



C. Weakly Distinctive Figurative Components of Device Marks

As discussed above, and regardless of linguistic considerations, marks consisting solely of figurative components are often endowed with a low or below average distinctive character. Even where figurative marks are nearly identical, that does not automatically lead to any degree of visual similarity between them. As the selection below shows, recent case law has granted purely figurative marks only a reduced scope of protection:

- There was no likelihood of confusion between the German Post's figurative mark consisting of a black post horn against a yellow background (below on the left) and the Slovenian postal service's EU trademark application for a figurative sign consisting of the same elements (below on the left), both, inter alia, in relation to postal services in Class 39: despite the identity of the services and the unmistakable visual similarity, the distinctive character of the senior mark was considered so low, in part due to the decade-long coexistence in the EU market of signs consisting of the image of a post horn, that consumers would not be confused.¹³⁸



vs.



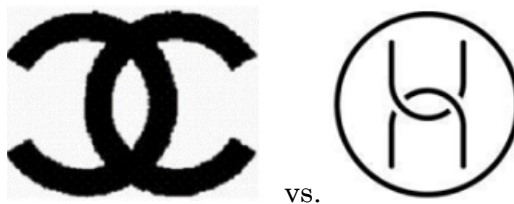
- Two highly similar marks depicting a button with a lion's head, both in relation to, inter alia, pins and clothing in Classes 14 and 25, were considered to be similar only to a low degree. According to the General Court, it is common practice in the fashion sector to use representations of lions or lions' heads or, more generally, representations of wild, strong, and exotic animals in the commercial presentation or the decoration of goods. Even if those components remained

¹³⁸ Judgment of 11 November 2020, *Deutsche Post v EUIPO* (figurative mark consisting of stylized horn), T-25/20, EU:T:2020:537, ¶¶ 49-54.

dominant leading to an average degree of visual similarity between the marks, that similarity was purely based on components with a low distinctive character. As a result, and in light of the very weak distinctive character of the senior mark, there was no likelihood of confusion, even for identical goods:¹³⁹



- Chanel in vain opposed a similar figurative mark by Huawei, in relation to, inter alia, mobile phones and headphones in Class 9. According to the General Court, the marks were entirely dissimilar visually because of the absence of a circle in the senior mark, even if the marks shared characteristics such as two black interlaced curves intersecting in an inverted mirror image and a central ellipse in the intersection of the curves. As a result, in the absence of any similarity between the signs, likelihood of confusion was not even examined:¹⁴⁰

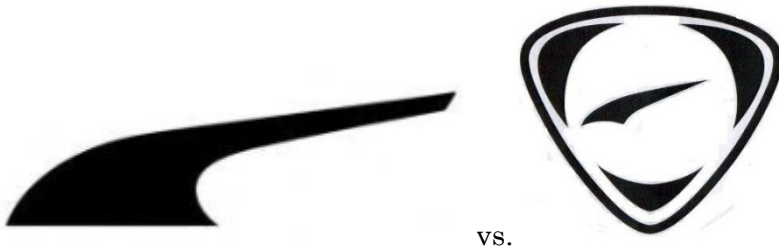


- Puma was unsuccessful in trying to prevent registration as an EU trademark of the figurative mark depicted below on the right relying on its figurative trademark depicted on the left. Since consumers perceive the marks as a whole, the figurative marks exhibited notable differences, ruling out any overall similar impression. The General Court added that, in the absence of any similarity at the second stage, any

¹³⁹ Judgment of 20 December 2023, *Pierre Balmain v EUIPO* (figurative mark representing a lion's head encircled by rings forming a chain), T-564/22, EU:T:2023:851, 48.

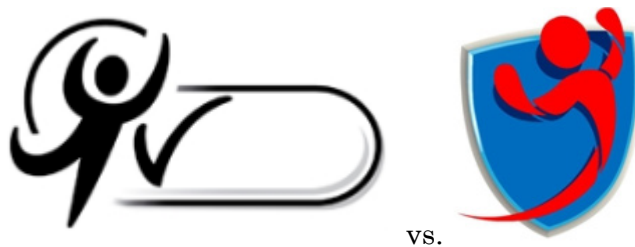
¹⁴⁰ Judgment of 21 April 2021, *Chanel v EUIPO* (figurative mark representing a circle containing two interlaced curves), T-44/20, EU:T:2021:207, 51.

enhanced distinctiveness enjoyed by Puma's emblem cannot overcome that failure:¹⁴¹



In many cases opposing figurative marks representing a concept, such as a figurine or a character, the figurative marks' scope of protection will not extend to that concept, but exclusively to how that concept is executed concretely. Therefore, even if such figurative marks share some visual characteristics, the way in which those concepts are expressed is fundamental when assessing the visual similarity between them.

- For instance, Nestlé was unsuccessful relying on the figurative mark depicted below on the left against the EU trademark application for the figurative mark shown on the right, both for identical goods in Class 30, such as “cereals.” Since the common dominant components of the figures were likely to be seen as representing strong or healthy people, they had a weak distinctive character. A mere association that the public might make between the two marks as a result of their analogous semantic content was not sufficient for a finding of likelihood of confusion:¹⁴²

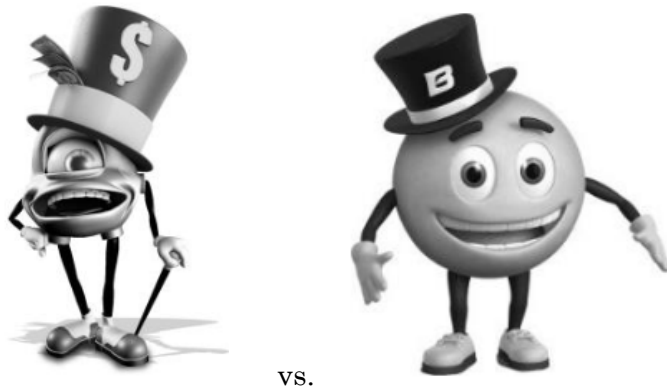


- Similarly, the General Court ruled that the below two figurative marks consisting of comic figurines were entirely dissimilar. Even if the two fantasy figures shared certain

¹⁴¹ Judgment of 6 November 2024, *Puma v EUIPO* (figurative mark representing an emblem), T-544/23, EU:T:2024:787, 37 and 54.

¹⁴² Judgments of 14 November 2019, *Nestlé v EUIPO—Jumbo Africa* (figurative mark representing the shape of a human figure on an escutcheon), T-149/19, EU:T:2019:789, 47.

features—inter alia, an open smiling mouth showing teeth, large eyes, a top hat, two arms wearing gloves and two legs wearing shoes—those were stylized differently, that is, on the one hand, a happy figure in the shape of a ball with wide-open eyes, straight arms and short legs and, on the other hand, a figure in the shape of a one-eyed, slightly deformed face with one bent arm and another arm resting on a cane, and legs of the same length as the central element:¹⁴³



- Conversely, where the figurative marks are highly stylized and highly similar in respect of that stylization, that favors a finding of visual similarity between them. For instance, an average level of similarity between the below two marks did not merely result from them representing the concept of a rooster, but rather the specific way in representing that concept, that is, two roosters shown in profile; the plumage representing the bodies of the roosters, the feathers being represented by a series of curves, arranged in largely the same way in both signs; the heads of the roosters were also depicted in a similar way, in that they contained no outline and were made up of four elements drawn in a fairly basic manner: a dot indicating the eye, a chevron shape representing the open beak, and drawings of the characteristic barbel and crest of a rooster:¹⁴⁴

¹⁴³ Judgment of 19 April 2023, *Zitro Int'l v EUIPO* (figurative mark representing a smiley wearing a top hat), T-491/22, EU:T:2023:203, 45-46.

¹⁴⁴ Judgment of 15 January 2025, *Kokito I v EUIPO* (figurative trademark representing a rooster), T-104/24, EU:T:2025:10, 41 and 68.



vs.

- Also, a low degree of visual similarity between purely figurative marks may be overcome where the senior figurative mark is highly reputed. Accordingly, the General Court annulled an EUIPO Board of Appeal decision relating to two V-shaped logos, stating that, because of a certain degree of visual similarity between the logos, the Board should have proceeded to examine whether designer Giorgi Armani's undisputed reputation for the goods covered by the senior mark did not result, at the third stage, in a likelihood of confusion between those two logos:¹⁴⁵



vs.

D. Weakly Distinctive Single Letter Marks

As discussed above and following the *ALPHA* judgment, single letters are, in principle, eligible for trademark registration. However, only where such a mark consists of a highly stylized letter or is accompanied by other relatively elaborate figurative elements, that mark may be recognized as having a normal or average degree of distinctive character.¹⁴⁶ In all other cases, the mark's distinctiveness will be qualified as weak. As the following series of judgments shows, doubt remains as to when a single letter can be qualified as "highly" stylized. As a result, a single letter mark's

¹⁴⁵ Judgment of 27 November 2024, *Giorgi Armani v EUIPO* (figurative mark representing horizontal lines), T-509/23, EU:T:2024:870, 34 and 42.

¹⁴⁶ Judgment of 9 November 2022, *L'Oréal v EUIPO* (K K WATER), T-610/21, EU:T:2022:700, ¶¶ 56.

scope of protection often remains limited to avoid improper monopolization of single letters:

- The General Court denied any likelihood of confusion between two EU trademarks prominently containing a stylized letter “K,” the opposed sign containing in addition the verbal elements “K WATER,” both in relation to cosmetics in Class 3. The Court said that finding a likelihood of confusion merely because both contained the same single letter, despite different stylization, would be tantamount to granting a monopoly on that letter as such in relation to a particular product.¹⁴⁷



- Similarly, the General Court ruled out confusion in a case opposing two figurative EU trademarks consisting of the single letter “Q” in different stylization, even for identical goods and services in Classes 9 and 42, such as software and software development. According to the General Court, the EUIPO Board of Appeal had erred by qualifying the degree of similarity between the marks as average, finding it was at best “low”.¹⁴⁸



Even in cases where conflicting marks are similar in respect of double letters or single letters accompanied by another weak figurative element (such as punctuation marks), the General Court is hesitant to grant too much protection if similarity lies simply in the single letter:

- In a conflict between two figurative marks coinciding in the capital letter “B,” both in relation to identical goods in Class

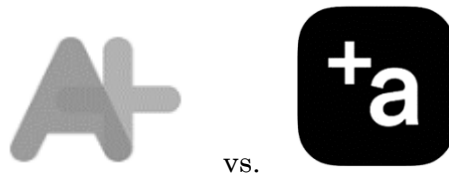
¹⁴⁷ Judgment of 9 November 2022, L’Oréal v EUIPO (K K WATER), T-610/21, EU:T:2022:700, ¶¶ 68-69; in the same vein, with respect to the letter “Q,” *see, generally*, judgment of 25 October 2023, Quantic Dream v EUIPO (Q), T-458/21, EU:T:2023:671.

¹⁴⁸ Judgment of 25 October 2023, Quantic Dream v EUIPO (figurative mark Q), T-458/21, EU:T:2023:671, 51.

32 (soft drinks), the General Court stressed again, referring to the judgment in *K v K WATER*, that a finding that amounts to recognizing a likelihood of confusion between two marks, one consisting primarily of a stylized, single capital letter and the other consisting of the same capital letter but written in a different stylization and combined with one or more other word elements, would de facto amount to granting a monopoly over one capital letter of the alphabet for a specific range of goods.¹⁴⁹



- Similarly, the General Court denied any likelihood of confusion between figurative marks composed of the same single letter and symbol, inter alia, for identical services in Class 36 (insurance services; financial affairs). Since the representation and combination of those letters and symbols was different, the marks were visually similar only to a low degree. Considering that the marks as a whole were only “very slightly stylized,” their distinctiveness was weak.¹⁵⁰



E. With Some Examples of Dissenting Case Law Remaining

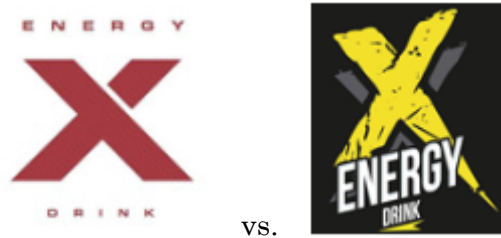
Although there is a clear shift in the case law of EU Courts toward granting less excessive protection to weak marks, or conflicting marks coinciding only in weak elements, some casuistic exceptions remain.

For instance, and unlike the other stringent rulings on single letters discussed above, the General Court held with respect to the two trademarks shown below that a single letter “X” had a normal distinctive character in relation to energy drinks in Class 32.

¹⁴⁹ Judgment of 14 May 2025, *Sumol + Compas v EUIPO* (figurative mark It’s B), T-283/24, EU:T:2025:485, 70.

¹⁵⁰ Judgment of 9 July 2025, *Airplus v EUIPO* (figurative mark +a), T-407/24, EU:T:2025:685, 50; 62.

Accordingly, a markedly different stylization of those letters was not considered sufficient to exclude confusion:¹⁵¹



Similarly, some other judgments do not explicitly depart from the *PAGES JAUNES*¹⁵² and *COMPRESSOR TECHNOLOGY*¹⁵³ approach. They emphasize—without taking into account the shift or, at least, maneuvering space, in *MASTER*, *MATS HANSSON*, *PRIMART*, and *EQUIVALENZA*—that the distinctive character of the senior mark is only one factor to be taken into account when assessing likelihood of confusion and, consequently, there may be a likelihood of confusion if the senior mark has a weak distinctive character, in particular where the signs are similar and the goods or services are identical or highly similar:

- A likelihood of confusion was found to exist between the senior figurative EU trademark consisting of the word VITAL, shown on the left below, and the EU trademark application for the stylized words VITAL LIKE NATURE, shown on the right, both for identical food products for animals in Class 31: although the word element “VITAL” is weak, the General Court held that the differences in the figurative elements were not such as to exclude the likelihood of confusion, nor were the other word elements (“like nature”) more distinctive:¹⁵⁴

¹⁵¹ Judgment of 6 November 2024, ZB v EUIPO (X ENERGY DRINK), T-507/23, EU:T:2024:769, ¶¶ 80-83.

¹⁵² Judgment of 13 December 2007, Xentral v OHIM (PAGESJAUNES.COM), T-134/06, EU:T:2007:387, ¶ 70.

¹⁵³ Judgments of 8 November 2016, BSH v EUIPO (COMPRESSOR TECHNOLOGY), C-43/15 P, EU:C:2016:837, ¶ 63; and of 12 June 2019, Patent- och registreringsverket v Hansson (ROSLAGSÖL), C-705/17, EU:C:2019:481, ¶ 44.

¹⁵⁴ Judgment of 20 October 2021, St. Hippolyt v EUIPO (Vital like nature), T-351/20, EU:T:2021:719, ¶¶ 70-73; in the same vein: judgment of 21 May 2025, Kap3 Premium Products v EUIPO (CaloVital), T-478/24, EU:T:2025:530.



Vital
like nature

vs.

- A likelihood of confusion was also found to exist between the international trademark designating the EU consisting of the single word “STEP” and an EU trademark application for a composite sign containing the words “WOOD STEP LAMINATE FLOORING” as depicted below, for, among other things, floor coverings in Class 27. The General Court attributed little value to the more than 100 trademarks registered in the EU containing the element “step” for identical goods:¹⁵⁵



- Also, the senior EU word mark FINANCIFY and the junior mark FINANCERY in relation to, among other things, identical financial services in Class 36, were found to be confusingly similar. Although the word element “FINANCE” has a weak distinctive character, the differences in the endings did not eliminate the likelihood of confusion.¹⁵⁶
- The senior EU trademark consisting of the stylized words “I LOVE YOU SINCE FOREVER” and two little heart devices was found to be confusingly similar to the junior word mark LOVE YOU SO MUCH, both in relation to, among other things, sex toys in Class 10.¹⁵⁷ The highly suggestive character of both signs was not considered to prevent a likelihood of confusion.

I LOVE YOU
♥ SINCE FOREVER ♥

¹⁵⁵ Judgment of 26 January 2022, *Diego v EUIPO (WOODSTEP LAMINATE FLOORING)*, T-498/20, EU:T:2022:26, ¶¶ 100-101.

¹⁵⁶ Judgment of 3 May 2023, *FFI Female Financial Invest v EUIPO (Financery)*, T-7/22, EU:T:2023:234, ¶¶ 89-90.

¹⁵⁷ Judgment of 22 March 2023, *Fun Factory v EUIPO (love you so much)*, T-306/22, EU:T:2023:151, ¶¶ 51, 57.

VII. CONCLUSION

The above overview of the EU courts' case law shows that determining the scope of protection of weak marks is far from straightforward. It is difficult to imagine why a different outcome regarding a likelihood of confusion should apply to marks that at first sight do not differ significantly in terms of their weak distinctive elements:

- SHOPIFY v. SHOPPI (no confusion)
- HEALTHIES v. HEALTHILY (confusion) or
- FINANCIFY v. FINANCERY (confusion).

Although a more stringent approach in recent years is undeniable, the general principle is in no way called into question: weak marks still have a certain, albeit not large, scope of protection, and similarity in weakly distinctive elements cannot, as a rule, exclude a likelihood of confusion. The following steps are essential in a correct assessment:

- At the second stage of the examination, namely when assessing the similarity between the signs, a first and preliminary step requires correctly identifying the dominant and distinctive components. This depends in particular on the goods or services at issue and the perception of the relevant public, also in light of the linguistic knowledge that the public has in certain territories. An element such as “health” that is devoid of distinctiveness in relation to goods in Class 5 in English-speaking territories including the Benelux or Nordics may nevertheless have distinctiveness in other parts of the EU and therefore be considered as being perfectly distinctive. In any case, weakly distinctive or non-distinctive elements cannot be excluded *a priori* from the comparison; on the contrary, the element may, in exceptional cases, even be the only relevant element if it alone is capable of dominating the overall impression of the sign.
- In a second step, when assessing the similarity between the signs, the degree of visual, phonetic and conceptual similarity is determined, taking into account the identified dominant and distinctive components. This is not purely an objective assessment. A clear overlap in certain elements, regardless of their distinctiveness, would normally lead to an average or high degree of similarity of signs. However, the assessment is to some extent subjective, in that the weak distinctiveness of common elements is taken into account in the assessment of the similarity of the signs. Visual or phonetic similarity based on common elements with weak distinctiveness will never be “high” but at best “average” and often rather “low” because the low distinctiveness of that

common element “considerably reduces the relative weight of such an element in the comparison of those signs.”¹⁵⁸ Conversely, even a high or medium degree of conceptual similarity resulting from a common weakly distinctive word element will have only “very low impact” on the similarity of the signs.¹⁵⁹

Finally, in the third stage of the confusion test, the likelihood of confusion is assessed globally. Here, the weak distinctiveness of the senior mark—as a whole—is again taken into account.

- In conclusion, it can be said that, even for identical goods and services, a similarity of signs that lies in merely weakly distinctive or descriptive elements will not lead to a likelihood of confusion unless, first, similarity additionally lies in other (possibly also weakly distinctive) visual or verbal elements of the signs, so that the finding of overall similarity between the signs and the likelihood of confusion is not purely based on weakly distinctive elements, but in the combination of such elements.¹⁶⁰ The principles from *CLORALEX* and *FERROMAX* thus remain valid and applicable.¹⁶¹

Secondly, an exception can result from the fact that the signs contain additional elements that are neither more dominant nor more distinctive than the common weak elements. Thus, confusion was considered to be likely between the following trademarks:

- the EU word mark ALLMAX NUTRITION versus the EU trademark application for the composite shown below, consisting, inter alia, of the word ALLNUTRITION, both for sports drinks in Class 32: although the common elements

¹⁵⁸ Judgments of 12 October 2022, *Shopify v EUIPO* (Shoppi), T-222/21, EU:T:2022:633, ¶¶ 60-62; of 15 October 2020, *Laboratorios Ern v EUIPO* (BIOPLAST BIOPLASTICS FOR A BETTER LIFE), T-2/20, EU:T:2020:493, ¶ 48; of 15 October 2020, *Rothenberge v EUIPO* (ROBOX), T-49/20, EU:T:2020:492, ¶ 67; and of 3 October 2019, *Vafo Praha v EUIPO* (Meatlove), T-491/18, EU:T:2019:726, ¶¶ 46-47.

¹⁵⁹ See, in particular, judgments of 5 October 2020, *Eugène Perma France v EUIPO* (NATURANOVE), T-602/19, EU:T:2020:463, ¶¶ 46-51; of 15 October 2020, *Rothenberge v EUIPO* (ROBOX), T-49/20, EU:T:2020:492, ¶ 92; of 15 October 2020, *Laboratorios Ern v EUIPO* (BIOPLAST BIOPLASTICS FOR A BETTER LIFE), T-2/20, EU:T:2020:493, ¶ 67; and of 24 March 2024, *Braunschweiger Versorgungs v EUIPO* (BF nergy), T-245/23, EU:T:2024:190, ¶ 67.

¹⁶⁰ Judgment of 12 June 2019, *PatentT- och registreringsverket v Hansson* (ROSLAGSÖL), C-705/17, EU:C:2019:481, ¶ 58.

¹⁶¹ See, e.g., the judgments of 11 May 2022, *Creaticon v EUIPO* (SK SKINTEGRA THE RARE MOLECULE), T-93/21, EU:T:2022:280, ¶ 99; of 12 September 2007, *Koipe v EUIPO* (La Española), T-363/04, EU:T:2007:264, ¶ 85; of 13 December 2007, *Cabrera Sánchez v OHIM* (el charcutero artesano), T-242/06, EU:T:2007:391, ¶ 53; and of 6 November 2024, *Domingo Alonso Group v EUIPO* (my CARFLIX), T-200/23, EU:T:2024:785, ¶ 48.

“all” and “nutrition” have a weak distinctive character, the added element “max” has, if possible, an even weaker distinctive character.¹⁶²



- the composite EU trademark shown below on the left, consisting of, among others, the words “MIESZKO” and “CHERRISSIMO,” versus the EU trademark application for the composite mark shown on the right, containing the words CHERRY PASSION: although the image of a cherry dipped in chocolate against a purple background is weakly distinctive, a certain distinctiveness lies in the combination of those elements, while the added word elements “CHERRY PASSION” are also quite weak.¹⁶³



vs.



Thirdly, where the two signs are similar only in their dominant and weakly distinctive component, with no other dominant or distinctive components added to either sign, a likelihood of confusion may be found even though the similarity lies only in the common weak element. This is the situation covered by *COMPRESSOR TECHNOLOGY*. A finding of high similarity in such a case will regularly lead to the conclusion of likelihood of confusion. The party that defends the junior mark can then only try to invalidate the senior mark by requesting a declaration of invalidity. That, of course, is often a double-edged sword given that the junior mark contains and is dominated by precisely that same weak element.

¹⁶² Judgment of 30 March 2020, *SFD v EUIPO (ALLNUTRITION DESIGNED FOR MOTIVATION)*, T-35/21, EU:T:2022:173, ¶¶ 86-87. Along the same lines: judgments of 31 January 2024, *Feed v EUIPO (Feed)*, T-26/23, EU:T:2024:48, ¶ 83; of 1 March 2023, *Canai Tech. v EUIPO (HE&ME)*, T-25/22, EU:T:2023:99, ¶¶ 39, 78; of 25 November 2014, *UniCredit v OHIM (UNIWEB)*, joined cases T-303/06 *RENV* & T-337/06 *RENV*, EU:T:2014:988, ¶ 87; and of 26 September 2012, *IG Communications v OHIM (CITIGATE)*, T-301/09, EU:T:2012:473, ¶ 75.

¹⁶³ Judgment of 29 November 2023, *Vobro v EUIPO (CHERRY Passion)*, T-29/23, EU:T:2023:765, ¶¶ 47, 90, 95-96.

The case law cited above at Section II.B in any case suggests that the assessment of absolute grounds for refusal is becoming increasingly strict, as the addition of secondary visual elements to a weak word element is no longer sufficient to make the whole mark registrable. For the future, that should reduce the number of conflicts that, at present, are often based on (old) national marks.

On the other hand, if the signs contain other distinctive and dominant elements besides the common weak elements, as a rule there will be no confusion. The question therefore remains whether the EU courts would today still uphold a likelihood of confusion in cases such as *XKING*, *LIMONCELLO*, or *EASYCREDIT* (see above, Section IV). To the extent that (i) one attributes a certain (albeit minimal) degree of distinctiveness to the senior marks within the meaning of the ruling in *F1-LIVE* (see above, Section II.D) and includes these elements in the comparison of similarity, but then (ii) finds a low degree of similarity between the signs in the second stage instead of an average one, and (iii) correctly takes into account the low degree of distinctiveness of the senior mark as a whole also in the third stage, there is nothing to prevent EU Courts from finding that confusion is not likely to arise, all while remaining within the principles set out previously by the Court of Justice.

The rule of interdependence will not make up for any low degree of similarity owing to weakly distinctive elements. Although the likelihood of confusion grows with the degree of similarity between the goods and services, where the similarity of signs derives solely from weak elements and is therefore low, even where the goods or services are identical, a likelihood of confusion may still be denied. Indeed, in its recent case law, the General Court has emphasized that the rule of interdependence “cannot be applied mechanically” and does not automatically give rise to a likelihood of confusion in the case of identical goods or services regardless of the low degree of similarity between the marks.¹⁶⁴

In this sense, recent case law of EU Courts has markedly re-evaluated the importance to be given to weak elements or weak marks in the second and third stage of the likelihood of confusion test, all while remaining within the legal framework developed in earlier case law. In any event, going forward it is wrong to conclude quasi-automatically that there is a likelihood of confusion in conflicts between trademarks where the similarity lies merely in common weak elements, even when the goods or services are identical.

¹⁶⁴ Judgments of 3 June 2015, *Giovanni Cosmetics v OHIM (GIOVANNI GALLI)*, T-559/13, EU:T:2015:353, ¶ 132; of 27 June 2019, *Sandrone v EUIPO (Luciano Sandrone)*, T-268/18, EU:T:2019:452, ¶ 95; of 9 November 2022, *L'Oréal v EUIPO (K K WATER)*, T-610/21, EU:T:2022:700, ¶ 67; of 21 February 2024, *L'Oréal v EUIPO (BI blue pigment)*, T-180/23, EU:T:2024:103, ¶ 65; and of 24 March 2024, *Braunschweiger Versorgungs v EUIPO (BF energy)*, T-245/23, EU:T:2024:190, ¶ 80.

**ABUSIVE TRADEMARK REGISTRATIONS:
THREATS TO INTERNATIONAL TRADE AND
COMMERCE***

*By Daniel R. Bereskin, C.M., K.C.***

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** Principal, Smart & Biggar LLP, Member, International Trademark Association. Appointed King's Counsel in 1982 and as Member of the Order of Canada in 2020. The author gratefully acknowledges the advice of Angela Kim, of Kim & Chang, Seoul; Yoshiyuki Tamura, Professor of Intellectual Property, University of Tokyo; Lin Jiuchu of King & Wood Mallesons, Beijing; John Welch, Wolf Greenfield, and Dr. Lynne Chave, Research Centre Manager, UCL Institute of Brand and Innovation Law, London. The opinions expressed in this article are those of the author alone.

I. INTRODUCTION

In the 19th century, trademark owners faced substantial difficulty and expense in enforcing their trademark rights.¹ Typically, it was necessary to call many witnesses to prove that the plaintiff's trademark symbolized sufficient goodwill to justify an injunction, and often the defendants were not in a position to compensate the trademark owner for damages.² The enactment of legislation permitting registration of trademarks was intended to facilitate legitimate, speedy, and cost-effective enforcement of trademark rights. Such legislation is both important and well justified. Unfortunately, the rights created by registration have been abused by some trademark owners. In this article, such abuses have two main forms, namely cluttering and squatting. Cluttering and squatting both involve an element of dishonest intent in procuring trademark registrations, which in the author's view justifies characterizing such conduct as acting in bad faith.

Cluttering or overclaiming relates to the practice of procuring registrations covering goods or services for which the registrant has no bona fide intention of ever using in normal commerce. Well-known trademarks generally do not need protection by overclaiming. For example, the famous trademark COCA-COLA has been registered as a European Union Trademark ("EUTM") under No. 2091569 for a long list of goods and services (~1,900 words) including "preparations for destroying vermin," "ironmongery," "typewriters," and "whips." According to the Coca-Cola website, "Our vision is to craft the brands and choice of drinks that people love and enjoy, to refresh them in body and spirit."³ An uplifting message, but one with which vermin are unlikely to agree. There are no registrations or pending applications in the United States for COCA-COLA for "preparations for destroying vermin" or many of the other goods covered by the European Union ("EU") registration. Successful companies that engage in cluttering should realize that their conduct serves as a bad example to others and is harmful to the very trademark systems upon which they rely.

Trademark squatting occurs when entities other than the trademark owner obtain trademark registrations covering trademarks resembling that of the trademark owner, with the intention of profiting from such registrations or to sell counterfeits.

¹ R.G. Lloyd, ed., *Kerly's Law of Trade Marks and Trade Names*, 8th ed. (London: Sweet & Maxwell, 1960).

² *De Kuyper and Son v. Baird*, (1903) 20 R.P.C. 581 at 587. *See also*, Frank I. Schechter, *The Historical Foundations of the Law relating to Trade Marks*, Columbia University Press, 1925, and Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 Trademark Rep. 305 (1979).

³ The Coca-Cola Company, *Purpose & Vision Summary*, <https://www.coca-colacompany.com/content/dam/company/us/en/about-us/purpose-vision/coca-cola-company-purpose-summary.pdf> (last visited Oct. 14, 2025).

Squatting is less a problem in the United States than it is elsewhere,⁴ primarily because U.S. trademark law is based on “first to use.” Although it is tempting for squatters to pick on trademarks that are quite famous elsewhere but have not been registered in the squatter’s home country, in some jurisdictions the affected trademark owners can undermine the effort if they can prove that their marks have acquired a prior reputation in the squatter’s country. This is not easy to do. It is therefore not uncommon for trademark owners to have to pay squatters to acquire ownership of the registrations. Korea has legislation that protects against registration and use of trademarks that are well known abroad but not well known in Korea, if fraudulent intent is proved.⁵ This said, it appears that Korea is not immune from trademark squatting.⁶

Some squatters prey on small- and medium-sized enterprises (“SMEs”) that appear to be expanding territorially but have not yet acquired a significant reputation in the squatter’s country. Trademark owners who wish to protect their future territorial expansion should therefore register their trademarks abroad, particularly in countries where squatting has become endemic.⁷ The use of the Madrid Protocol as a filing strategy could be cost-effective. Although several prior U.S. cases have given limited extraterritorial effect to Lanham Act infringements,⁸ the Supreme Court of the United States has now restricted the application of the Lanham Act to infringement cases where the defendant has used the accused trademark in the United States.⁹

Some squatters register transliterations of the owner’s trademark especially in multilingual or non-English speaking countries. For example, Qiaodan Sports registered in China the trademark QIAODON, which is a Chinese transliteration of “Jordan,” with the intention of benefiting from the reputation of the famous NBA player Michael Jordan. Jordan filed numerous suits in China against Qiaodan Sports. After years of protracted litigation,

⁴ Kenneth L. Port, *The Congressional Expansion of American Trademark Law: A Civil Law System in the Making*, 35 Wake Forest L. Rev. 827, 832-35 (2000).

⁵ See Seok Hyun Kwon & Clare Ryeojin Park, *KIPO’S Authority Against Unfair Competitive Acts Expands*, Kim & Chang (Feb. 20, 2024), <https://www.ip.kimchang.com/en/newsletter.kc?idx=28989>.

⁶ Kim Min-Joong, *Sulbing case highlights worsening trademark squatting involving Korean companies*, Korea JoongAng Daily (Apr. 16, 2025, at 15:25 ET), <https://koreajoongangdaily.joins.com/news/2025-04-14/business/economy/Sulbing-case-highlights-worsening-trademark-squatting-involving-Korean-companies/2284934>.

⁷ See, e.g., Michele Ferrante, *Strategies to Avoid risks Related to Trademark Squatting in China*, 107 Trademark Rep. 726 (2017).

⁸ E.g., *Steele v. Bulova Watch Co.*, 344 U.S. 280 (1952).

⁹ *Abitron Austria GmbH et al. v. Hetronic Int’l, Inc.*, 600 U.S. 412 (2023). Distinguishing *Steele v. Bulova Watch Co.*, the decision holds that §§ 1114(1)(a) and 1125(a)(1) of the Lanham Act are not extraterritorial and extend only to claims where the infringing use in commerce is domestic.

Jordan finally was successful, at least in part, in regaining control over the use of his name.¹⁰

Cluttering and squatting adversely affect the functioning of any trademark system¹¹ by impeding the ability of trademark owners to accurately, quickly, and inexpensively assess the registrability of a trademark. To the extent a trademark register is replete with registrations that do not properly reflect the legitimate rights of trademark owners, clearance of trademarks becomes uncertain, time-consuming, and expensive. This is particularly problematic for SMEs that are an important source of economic growth.¹² Improper registrations lead to costly oppositions, cancellation proceedings, and litigation that many SMEs can ill afford. Although some may argue that computerized searching reduces the burden of trademark clearance, this is contradicted by the fact that many trademark owners incur high costs in clearing new trademarks, especially when this is done on an international scale.

This article compares the trademark law of China, the United States, the EU, the United Kingdom (“UK”), Japan, and Korea in relation to cluttering and squatting and concludes with a commentary of the position of INTA in relation to this issue, and recommendations for reform. The record of the United States for combatting cluttering is significantly better than most other countries and regions, largely because U.S. trademark law is based on “first to use” rather than “first to file,” unlike most other countries.¹³ Studies¹⁴ have shown that there are noticeable differences between U.S. and EU registers in the number of goods or services covered for the same trademark. This said, “first-to-file” systems have their advantages, and as will be discussed, China,

¹⁰ Michael McCann, *Michael Jordan Comes Out Victorious in Trademark Case in China’s Supreme Court*, Sports Illustrated, Apr. 14, 2020, <https://www.si.com/nba/2020/04/14/michael-jordan-copyright-lawsuit-case-china>; Laura Wen-yu Young, *Understanding Michael Jordan v. Qiaodan: Historical Anomaly or Systemic Failure to Protect Chinese Consumers?* 106 Trademark Rep. 883 (2016); Ferrante, *supra* note 7.

¹¹ Counterfeits and Cluttering: Emerging Threats to the Integrity of the Trademark System and the Impact on American Consumers and Businesses: Hearing Before the Subcomm. on Cts., Intell. Prop., & the Internet of the H. Comm. on the Judiciary, 116th Cong. (2019) (statement of Mary Boney Denison, Commissioner for Trademarks, U.S. Patent and Trademark Office).

¹² See *Small and Medium Enterprises (SMEs) Finance*, World Bank Grp., <https://www.worldbank.org/en/topic/sme/finance> (Oct. 16, 2019).

¹³ The “first to file” authority stems from Article 4 of the Paris Convention for the Protection of Industrial Property. Paris Convention for the Protection of Industrial Property, as last revised at the Stockholm Revision Conference, art 4, Mar. 20, 1883, 21 U.S.T. 1583; 828 U.N.T.S. 305 (“Rights acquired by third parties before the date of the first application that serves as the basis for the right of priority are reserved in accordance with the domestic legislation of each country of the Union.”)

¹⁴ See Graevenitz et al, *Trade Mark Cluttering: An Exploratory Report Commissioned by UKIPO*, https://ueaeprints.uea.ac.uk/id/eprint/37539/1/Report_Fv_5.pdf, and Graevenitz et al, *infra* note 15.

Japan, and Korea, whose trademark laws are based on the first-to-file principal have adopted measures intended to abate cluttering and squatting. The EU is far behind these and other countries in dealing with cluttering, as many scholars have pointed out.¹⁵

II. CHINA

The following World Intellectual Property (“WIPO”) 2023 statistics indicate that applicants who reside in China engage in multiclass filing far more than those of any other country. “Application class count” referred to in WIPO statistics is the sum of classes specified in applications received directly by an office plus, where applicable, those specified in designations received by the office via the Madrid System.¹⁶ The following chart indicates application class counts by country in 2023.¹⁷

China	7,417,394
USA	849,876
EU	448,767*
UK	356,841
Japan	349,685
Korea	324,712*

* 2022 data

The records of the United States Patent and Trademark Office (“USPTO”) indicate that residents of China filed 111,697 trademark applications in the United States in 2023 out of a total of 261,794 applications filed by foreign residents. U.S. residents filed 475,224. Residents of China lead residents of all foreign countries in the number of applications filed in the USA by a very sizeable margin. These statistics are striking compared with world totals. According to then USPTO Commissioner for Trademarks Mary Boney Denison, the rise in inaccurate and fraudulent claims of use coincides with the rise of filings with the USPTO by residents of

¹⁵ For an excellent exposition of cluttering issues faced by the EU, see Barton Beebe & Jeanne C. Fromer, *The Future of Trademarks in a Global Multilingual Economy: Evidence and Lessons from the European Union*, 112 Trademark Rep. 902 (2022). See also Georg von Graevenitz, *Trademark Cluttering—Evidence from EU Enlargement*, 65 Oxford Econ. Papers 721 (2013); Georg von Graevenitz et al., *Cluttering and Non-Use of Trademarks In Europe*, Report Commissioned by the UK Intellectual Property Office (Aug. 2015). For a discussion of divergent EU views, see Annette Kur, *Convergence After All? A Comparative View on the U.S. and EU Trademark Systems in the Light of the “Trademark Study”* 19 J. Intell. Prop. L. 305 (2012).

¹⁶ “Class count” is an indirect measure of cluttering but arguably is significant.

¹⁷ WIPO IP Statistics Data Center, Trademark - Application class counts for the top 20 offices, <https://www3.wipo.int/ipstats/key-search/search-result?type=KEY&key=241> (last updated May 2025).

China.¹⁸ One of the measures adopted by the USPTO in response is the requirement that all foreign applicants and registrants must be represented before the USPTO by lawyers registered to practice in the United States. This measure and others appear to have lowered the class count of applications filed in the United States by residents of China and has reduced but not eliminated cluttering.

The trademark law of China is based on first to file rather than first to use. The current trademark law¹⁹ (“TML 2019”) aims to abate bad faith filing of trademark applications, particularly targeting trademark squatters,²⁰ and provides improved protection for trademarks that are well known in China.²¹ Article 25 of a policy statement issued by the Supreme People’s Court²² (“SPC”) lists the following factors to determine whether a disputed trademark was not registered in good faith in light of a prior well-known trademark, namely the (a) reputation of the prior trademark, (b) trademark applicant’s reason for filing the disputed trademark, and (c) extent of use of the disputed trademark.²³ Other factors include the registrant’s knowledge of the existence of the prior well-known trademark; whether the registrant had conducted a search prior to filing; deliberate imitation of a well-known trademark for commercial gain; the likelihood the registrant is to profit from the public’s confusion between the well-known trademark and the disputed trademark, and whether there is an acceptable reason to justify the use of the disputed trademark.²⁴ Article 4 specifies that an application for registration that is not made for the purpose of using the trademark in normal commerce is to be rejected. Article 7 provides that the “principle of good faith shall be upheld in the application for registration and in the use of trademarks.”

The holder of prior rights or an “interested party” can apply for invalidation of a registered trademark within five years from the date of the registration, but the five-year limitation does not apply to registrations obtained in bad faith in violation of the rights of an

¹⁸ Denison, *supra* note 11.

¹⁹ Trademark Law of the People’s Republic of China (TML 2019) (as amended up to the Decision of April 23, 2019, of the Standing Committee of National People’s Congress).

²⁰ See Jyh-An Lee & Thomas Mehaffy, *Prior Rights in the Chinese Trademark Law*, 37 EIPR 673, 674 (2015).

²¹ TML 2019, *supra* note 19 arts. 13-14.

²² Provisions of the Supreme People’s Court on Several Issues Concerning the Hearing of Administrative Cases Involving the Granting and Affirmation of Trade Mark Rights dated 23 December 2020, effective 1 January 2021. See <https://www.mondaq.com/china/trademark/563440/provisions-of-the-supreme-peoples-court-on-several-issues-concerning-the-hearing-of-administrative-cases-involving-the-granting-and-affirmation-of-trademark-rights>.

²³ Jyh-An Lee & Hui Huang, *Post-application Evidence of Bad Faith in China’s Trademark Law*, 13 J. Intell. Prop. L. & Prac. 400, 402 (2018).

²⁴ TML 2019, *supra* note 19, art. 45.1.

owner of a well-known trademark.²⁵ There are some early indications that the cluttering situation in China is gradually improving.²⁶

The TML 2019 now contains specific restrictions against improper conduct by trademark agents. For example, Article 19 prohibits an agent from filing a trademark application that the agent knows or ought to know targets another's trademark. In the 2019 amendment of the TML 2019, the following stipulation was added to Article 68: "for a bad faith application for trademark registration, administrative punishment such as warning and fine shall be imposed according to the circumstances." In practice, some trademark agencies and trademark applicants have been punished by local AMR²⁷ agencies for bad faith filings of trademark applications.

There are indications that the cluttering situation in China is improving. An important decision in this regard is *Wuhan Zhongjun v. Trademark Review and Adjudication Board of the State Administration for Industry and Commerce of China*.²⁸ This is a decision of the Supreme Court of the People's Republic of China ("SPC"), which seldom accepts cases from courts below in cases where there are no apparent mistakes made by lower courts. This case indicates that China indeed is serious about promoting genuine use of trademarks in China and clamping down against cluttering. The applicant, Wuhan Zhongjun Campus Service Co, Ltd. ("Wuhan Zhongjun"), registered the trademark 闪银 for financial services in Class 36. Beijing Shanyin Qiyi Technology Co, Ltd. (Shanyin Qiyi) applied to the Trademark Review and Adjudication Board ("TRAB") to invalidate Wuhan Zhongjun's registration based on lack of any intent to use. It was shown that Wuhan Zhongjun had registered over 1000 trademarks in China with the evident intention of selling them for a profit. The owners of Wuhan Zhongjun are Fu Fachun and his wife Liu Fengjin, who are both trademark agents.

In the result, the registration initially was invalidated, but Wuhan Zhongjun appealed. The lower courts agreed with the TRAB decision, and finally an appeal was made to the SPC. The SPC affirmed the decisions below, holding that the mark was not filed for with the intention of genuine use, and, therefore, it was contrary to

²⁵ TML 2019, *supra* note 19, art. 45.

²⁶ See, e.g., CTMO Decision (2015) 商标异字第0000045458, Pin Yin: (2015) SHANG BIAO YI ZI No. 0000045458; Laboratoire Nuxe, the TRAB and Cangyu Zheng, Beijing First Intermediate People's Court, (2012), No. 1053. See also Helen Xi9a, Zhen Feng, & Eugene Low, *China: Manolo Blahnik Wins Back Trademark After 22-Year Legal Battle*, Hogan Lovells (Jul. 27, 2022), <https://www.engage.hoganlovells.com/knowledgeservices/news/china-manolo-blahnik-wins-back-trademark-after-22-year-legal-battle/>.

²⁷ Administration for Market Regulation.

²⁸ No. 4191 [2017], Administrative Retrial, Supreme People's Court of China, June 29, 2018.

Article 4 of the Trademark Law of 2013. In short, the registration was found to have been acquired by “other illicit means” as stipulated in Article 44.1 of the 2013 Trademark Law. The TML 2019 added the following to Article 4, “a bad faith application for trademark registration for a purpose other than use shall be rejected,” which forbids bad faith filings. This said, the *Wuhan Zhongjun* case involves significant dishonest behavior and other cases involving large-scale squatting may not be as successful as Shanyin Qiyi was in this case.

On September 25, 2023, the China National Intellectual Property Administration (“CNIPA”) issued Guidelines of Trademark Assignment Procedure (关于商标转让程序的指引).²⁹ Article 5 provides that if a trademark applicant has registered numerous trademarks and has transferred trademarks several times to different transferees without justifiable commercial reasons, or fails to provide relevant evidence of use or proof of intention to use the trademarks, or the evidence of use provided is invalid, the assignment shall not be accepted. This provision is intended to discourage trademark filings without bona fide intent to use in commerce with the intention of selling the applications or registrations to legitimate trademark owners. According to this provision, the CNIPA is authorized to require the applicant to provide evidence that the filing was not made in bad faith and that there is a valid commercial reason for the assignment. This provision has resulted in numerous refusals to record assignments.

Bad faith trademark filing may also constitute unfair competition in China. In *Emerson Electric v. Xiamen Anjier*,³⁰ the court confirmed that trademark piracy may constitute unfair competition. The court ordered the defendants to cease applying to register marks identical or similar to Emerson’s trademarks and to compensate Emerson for its attorneys’ fees and the reasonable expenses it had incurred. *Emerson* indicates the current prevailing tendency of courts in China is to abate wrongful filings.

All this said, securing trademark registrations in China on a timely basis is a wise strategy for trademark owners, large and small. It is not uncommon for squatters to prey on SMEs because they are less likely to have acquired a reputation in China and may not be able or willing to incur the cost of filing applications in many different jurisdictions. Some squatters do attempt to create a legitimate business in China, in the expectation of being able to take a free ride on the reputation of the foreign trademark owner

²⁹ <https://www.gov.cn/lianbo/bumen/202309/P020230926541600629198.pdf> (last visited Sept. 23, 2025).

³⁰ See Jing Xu, *Trademark Piracy Results in Civil Liabilities? Note on Emerson Electric v. Xiamen Anjier*, King & Wood Malleson (Apr. 15, 2022), <https://www.kwm.com/cn/en/insights/latest-thinking/trademark-piracy-results-in-civil-liabilities-note-on-emerson-electric-v-xiamen-anjier.html>.

especially if the owner's trademark is not particularly well known in China.³¹ In addition, trademark owners should register not only the trademarks in the form they use elsewhere, but also translations or transliterations of the trademarks,³² especially important trademarks that are used in Chinese characters when goods or services are sold in China.

Although the bad faith provisions of the TML 2019 are an encouraging sign that China is serious about curbing cluttering and squatting, early registration in China of important trademarks remains an important strategy for many foreign trademark owners.

III. UNITED STATES OF AMERICA

The federal trademark system in the USA is the gold standard for providing protection for legitimate trademark owners against trademark misuse by others. Although not immune from cluttering and squatting,³³ USA law and practice is superior to the laws and practice of many other countries in protecting trademark owners from unfair practices by others. It is the unequivocal requirement of U.S. law that enforcement of a registered trademark is conditioned on the active use of the trademark in commerce and such use must inseparably relate to the goodwill of the business symbolized by the trademark.

An important measure adopted by the USPTO is auditing the accuracy of proof of use claims post-registration. Audited registrations with unsubstantiated claims may be cancelled or goods and services may be removed from the registration in the event of non-use. In addition, the *Trademark Modernization Act of 2020*³⁴ provides additional causes of action against owners of unused trademarks including invalidity actions against registrations based on false declarations of use.

³¹ See *Tesla Reaches Agreement Over Trademark Dispute*, China Daily News (Aug. 7, 2014), http://www.chinadaily.com.cn/business/2014-08/07/content_18264076.htm; Chow, Daniel C. K., *Trademark Squatting and the Limits of the Famous Marks Doctrine in China*, 47 Geo Wash. Int'l L. Rev. 57 (2015).

³² *Xinbailun (China) Co. Ltd. v. Le Lun Zhou (周乐伦)*, Guangzhou Intermediate People's Court, Guangdong Province (2013) No. 547.

³³ See U.S. Dep't of Com., USPTO Should Improve Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register, Final Report No. OIG-21-033-A (Aug. 11, 2021) <https://www.oig.doc.gov/OIGPublications/OIG-21-033-A.pdf>; Trevor Little, USPTO Reveals Ambitious Plans to Tackle Register Clutter, World Trademark Rev. (June 28, 2016), <https://www.worldtrademarkreview.com/article/uspto-reveals-ambitious-plans-tackle-register-clutter>. See also the Trademark Modernization Act of 2020 (TMA), Pub. L. No. 116-260, §§ 221-28, 134 Stat 2200 (codified in scattered sections of 15 U.S.C.), that contains provisions for decluttering the U.S. federal registry and emphasizing trademark use requirements.

³⁴ Trademark Modernization Act of 2020 (TMA), Pub. L. No. 116-260, §§ 221-28, 134 Stat 2200.

The reasons why the United States suffers less from cluttering and squatting than other jurisdictions include the following:³⁵

1. Enforceable trademark rights are predicated on *verified* bona fide use in commerce or verified bona fide intention to use in commerce³⁶ rather than first to file. The term “bona fide” appears twenty-four times in the Lanham Act³⁷ and thirty-six times in the Rules.³⁸ With limited exceptions,³⁹ applicants must have used the trademark in commerce as a condition for registration and maintenance of the registration, and a registration can be cancelled if a trademark owner subsequently abandons such use.⁴⁰ The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, where the mark serves to identify and distinguish [the mark user’s] goods . . . and to indicate the source of the goods.⁴¹

2. Continued use in commerce is required to maintain a registration in full force and effect. Between the 5th and 6th years from the registration date, and every ten years thereafter, trademark owners are required to verify that the trademark continues to be used in commerce for all the goods or services for which the registration has issued,⁴² and to provide specimens evidencing such use for each class of goods or services.⁴³ Fraudulent statements of use or fake specimens are a basis for invalidation.

³⁵ Denison, *supra* note 11. See also Sandra Edelman, *Proving Your Bona Fides—Establishing Bona Fide Intent to Use Under the U.S. Trademark (Lanham) Act*, 99 Trademark Rep. 763 (2009).

³⁶ 15 U.S.C. § 1051(b). Bona fide intention to use is qualified by “under circumstances showing the good faith of such person.” *Id.* § 1051(b)(1)

³⁷ 15 U.S.C. § 1051 *et seq.*, commonly referred to as the “Lanham Act.”

³⁸ 37 C.F.R. pt. 2.

³⁹ Applicants relying on a foreign registration in its country of origin can obtain registration in the USPTO provided they have a verified bona fide intention to use the trademark in commerce at the filing date of the application with the USPTO, but do not have to prove use. 15 U.S.C. § 1126. Also, all registrations, including those filed in reliance on a foreign registration, requires verified proof of use in commerce between the 5th and 6th years from the date of the registration. *Id.* § 1058(a). According to current jurisprudence, lack of a *bona fide* intention to use the trademark in commerce can affect the registrability of some of the goods or services, but not the registration if there was a *bona fide* intention to use the trademark in commerce for at least some of the goods or services: *Grand Canyon West Ranch LLC v. Hualapai Tribe* 78 U.S.P.Q.2d 1696 (TTAB 2006). In the absence of proof of intention to deceive, it appears that misstatements of intention to use are not fatal: *In re Bose*, 580 F.3d 1240 (Fed. Cir. 2009) and *King Auto Inc. v. Speedy Muffler Inc.*, 667 F.2d 1008 (CCPA 1981).

⁴⁰ Three consecutive years of non-use is *prima facie* evidence of abandonment. 15 U.S.C. § 1127.

⁴¹ *Id.*

⁴² 15 U.S.C. § 1058(a). These deadlines are subject to a six-month grace period for late filing.

⁴³ 37 C.F.R. § 2.56. Only one specimen per class is required to be filed.

3. Trademark applicants and registrants with foreign domiciles are required to be represented by a lawyer licensed to practice in the United States.⁴⁴

4. The Commissioner for Trademarks of the USPTO is authorized to order exclusion of persons or entities from dealing with the USPTO who have been guilty of flouting U.S. trademark law.

5. The USPTO is engaged actively in dealing with the fraudulent submission of fake specimens, false claims of use, unauthorized use of electronic filing, and other means for circumventing the USPTO Rules of Practice in trademark cases.

6. The USPTO has adopted a random audit procedure for verifying the claims of use made by registrants in connection with claims of use between the fifth and sixth years from the date of their registrations.⁴⁵ Audited registrations with unsubstantiated claims are subject to deletion of the goods or services for which proper evidence of use in commerce cannot be substantiated.

The Lanham Act⁴⁶ mentions “bad faith” only once, and not in connection with acquisition or maintenance of trademark rights.⁴⁷ Instead, many provisions of the Lanham Act and Rules of Practice in Trademark Cases (“Rules”) of the United States Patent and Trademark Office (“USPTO”) refer to *verified* bona fide intent to use the trademark in commerce in the United States.⁴⁸ “Verified” is defined in the Rules as follows:

The term verified statement, and the terms *verify*, *verified*, or *verification* as used in this part refers to a statement that is sworn to, made under oath or in an affidavit, or supported by a declaration under § 2.20 or 28 U.S.C. [§] 1746, and signed in accordance with the requirements of § 2.193.⁴⁹

Although trademarks registered in the country of origin of a foreign applicant may be registered on the Principal Register if eligible, use in commerce is not required prior to registration provided the applicant states its bona fide intention to use the trademark in commerce. This important requirement seems to be

⁴⁴ 37 C.F.R. § 2.11(a).

⁴⁵ 37 C.F.R. § 2.161(b); *see* TMEP 1604.22. An audit may be conducted at the time of a Section 8 filing, either at the six-year mark or on renewal. If the registrant is obliged to delete items, a fee is to be paid.

⁴⁶ 15 U.S.C. §§ 1051 *et seq.*, as amended by the Trademark Modernization Act of 2020 (TM Act of 2020, Pub. L. No. 116-260, 134 Stat. 2200) (2020).

⁴⁷ “A person shall be liable in a civil action by the owner of a mark, . . . if . . . that person—(i) has a bad faith intent to profit from that mark,” 15 U.S.C. § 1125(d)(1)(A)(i).

⁴⁸ *E.g.*, 15 U.S.C. § 1051(b).

⁴⁹ 37 C.F.R. 2.2(n) (2025) The statement must be verified by the applicant or by someone who is authorized to verify facts on behalf of the applicant. *See, e.g.*, 15 U.S.C. § 1051(b)(3)(A).

followed more in the breach than the observance particularly by foreign residents.⁵⁰

For example, a brief search of U.S. registrations issued in 2023 revealed registration No. 7070657 for the trademark SHOKZ, covering ten classes comprising almost 1000 words in the description of goods. According to an Internet search,⁵¹ the trademark is used for wireless headphones and accessories but has been registered for goods including pencil sharpeners, canes, incense burners, and bath linens, among numerous other goods unrelated to headphones.

Lack of bona fide intent to use was alleged in *Monster Energy Co. v. Tom & Martha LLC*.⁵² The TTAB previously had held in proceedings between the same parties that “an application will not be deemed void for lack of bona fide intention to use absent proof of a lack of bona fide intention to use the mark on all the goods identified in the application, not just some of them.”⁵³ In *Monster Energy*, the TTAB required deletion of certain goods for which it found there was no bona fide intention to use. Thus, in an opposition involving a claim of lack of bona fide intent to use, the TTAB may strike the specific goods for which the applicant lacks bona fide intent to use, while allowing the application otherwise to proceed to registration.⁵⁴ This said, if proof of bona fide intent to use is utterly lacking, the trademark may not be entitled to registration. An example is *Société des Produits Nestlé S.A. v. Cândido Viñuales Taboada*,⁵⁵ a precedential decision of the TTAB. Nestlé had opposed Taboada’s application based on lack of bona fide intent. Nestlé was successful because Taboada was unable to prove use in commerce, there were no advertising or promotional expenditures, no agreements with potential manufacturers, no evidence concerning attempted regulatory approval, no trade show experience, no

⁵⁰ See e.g., *Honda Motor Co., Ltd. v. Winkelmann*, 90 U.S.P.Q.2d 1660 (T.T.A.B. 2009) (refusing registration where the foreign applicant provided no evidence of their bona fide intent to use the mark in the United States.)

⁵¹ See Shokz, <https://shokz.com/> (last visited June 18, 2025).

⁵² Opp. No. 91250710, 2023 WL 4574995 (T.T.A.B. July 14, 2023).

⁵³ *Monster Energy Co. v. Tom & Martha LLC*, 2021 USPQ2d 1197 (T.T.A.B. 2021) (quoting *Wet Seal, Inc. v. FD Mgmt., Inc.*, 82 U.S.P.Q.2d 1629, 1633 (T.T.A.B. 2007)). See also *In re Bose Corp.*, 580 F.3d 1240 (Fed. Cir. 2009), where the Court of Appeals for the Federal Circuit controversially held that a registrant or applicant must have specific intent to deceive the USPTO in order to fraudulently acquire trademark rights. The *Bose* decision and others following it is the subject of an excellent article in the *Trademark Reporter* by Theodore H. Davis, Jr. & Lauren Brenner, *Allegations of Fraudulent Procurement and Maintenance of Federal Registrations Since In Re Bose Corp.*, 104 Trademark Rep. 933 (2014). The burden of proof for proving fraud is very heavy, requiring clear and convincing evidence. See *Alliance Bank v. New Century Bank*, 742 F. Supp. 2d 532, 551 (E.D. Pa. 2010) (citing *In re Bose*, 580 F.3d at 1243).

⁵⁴ *Syndicat des Propriétaires Viticulteurs De Chateaufneuf-Du-Pape v. Pasquier Desvignes*, 107 U.S.P.Q.2d 1930, 1943 (T.T.A.B. 2013) (precedential).

⁵⁵ Opp. No. 91232597, 2020 WL 4530518 (T.T.A.B. Aug. 5, 2020).

packaging, or labels in process and in general, no documentary support evidencing a bona fide intention to use the trademark in commerce. At least some such proof would have to have occurred prior to the filing date of the application.⁵⁶ Mere intention to reserve a right to a trademark by filing an application without real bona fide intent to use at the filing date of the application, will not avail.⁵⁷

On December 27, 2020, the Trademark Modernization Act of 2020⁵⁸ (“TMA”) became law. It contains important provisions intended to facilitate expungement of trademarks that are not in use in commerce,⁵⁹ or that have never been used in commerce at the date the registrant swore that the trademark was in use in commerce.⁶⁰ Expungement of unused registered trademarks is possible between the third anniversary of the date of the registration and the tenth anniversary of the registration.⁶¹ Expungement can be initiated by a petitioner, or by the Director of the USPTO on the Director’s own initiative. In addition, the TMA allows registrations issued based on use in commerce to be re-examined by the USPTO to verify the accuracy of the claim of use, made either at the time of filing (for use-based applications) or when the declaration of use was filed (for intent-to-use applications).⁶² This procedure is available up to the fifth anniversary of the date of registration.⁶³ These two procedures can be invoked simultaneously, and the Director can consolidate separate challenges if the issues are the same in each.

A challenge to a registration must establish a *prima facie* case of non-use. The Regulations implementing the TMA indicate what is necessary to make out a *prima facie* case of non-use:

[A] *prima facie* case requires only that a reasonable predicate concerning nonuse be established. Thus, with respect to these proceedings, a *prima facie* case includes sufficient notice of the claimed nonuse to allow the registrant

⁵⁶ See 15 U.S.C. §§ 1141(5), 1141f(a).

⁵⁷ *M.Z. Berger & Co., Inc. v. Swatch AG*, 787 F.3d 1368, 1377 (2015) (applicant’s intent in filing the application was merely reserve a right in the mark, and not a bona fide intent to use the mark in commerce). See also *Caesar’s World v. Milanian*, 247 F. Supp. 2d 1117, 1192 (D. Nev. 2003), where trademark owner was perceived to reserve desirable names with the intention of selling them to others.

⁵⁸ Pub. L. No. 116-260, §§ 221-28, 134 Stat 2200 (2020) (codified in scattered sections of 15 U.S.C.). For a detailed commentary on the TMA, see Theodore H. Davis Jr., *Changes to Federal Trademark Law and Their Effective Dates Under the Trademark Modernization Act and its implementing Regulations*, Kilpatrick (Jan. 11, 2022), <https://ktslaw.com/en/Insights/Alert/2022/1/Changes-to-Federal-Trademark-Law-and-Their-Effective-Dates>.

⁵⁹ 15 U.S.C. § 1066a.

⁶⁰ *Id.* § 1066b.

⁶¹ *Id.* § 1066a(i).

⁶² *Id.* § 1066b.

⁶³ *Id.* § 1066b(i).

to respond to and potentially rebut the claim with competent evidence, which the USPTO must then consider before making a determination as to whether the registration should be cancelled in whole or in part, as appropriate.⁶⁴

In addition, the TMA amends Section 14 of the Lanham Act to allow an action for cancellation at any time after three years from the date of the registration if the registered trademark has not been used on all or at least some of the goods or services covered by the registration.⁶⁵

Another possible weapon against overclaiming of goods or services, particularly in relation to registrations based on Sections 44(e) or 66(a) of the Lanham Act, is a claim of abandonment, which could also be coupled with a claim based on no bona fide intent to use the trademark at the filing date. An abandonment claim should probably be made after three consecutive years has elapsed since the filing date of the application for registration.⁶⁶ Neither the TMA nor the Regulations indicate whether a failed expungement procedure has estoppel effect against subsequent cancellation procedures,⁶⁷ although suspension of proceedings may be open to the USPTO.⁶⁸

In exceptional circumstances, the USPTO is entitled to challenge an applicant's bona fide intention to use the mark in commerce during examination. The USPTO Manual of Examination Practice and Procedure ("TMEP"), § 1101 provides as follows:

The USPTO normally will *not* evaluate the good faith of an applicant in the ex parte examination of applications. Generally, the applicant's sworn statement of a bona fide intention to use the mark in commerce will be sufficient evidence of good faith in the ex parte context. Consideration of issues related to good faith may arise in an inter partes proceeding, **but the USPTO will not make an inquiry in an ex parte proceeding unless evidence of record clearly indicates that the applicant does not have a**

⁶⁴ Changes to Implement Provisions of the Trademark Modernization Act of 2020, 86 Fed. Reg. 64,300, 64,311 (internal citations omitted).

⁶⁵ 15 U.S.C. § 1064(6).

⁶⁶ See *Jade Apparel v. Steven Schor, Inc.*, No. 11 Civ. 2955 (KNF), 2013 WL 498728, at *10 (S.D.N.Y. Feb. 11, 2013).

⁶⁷ See *Common Sense Press Inc. v. Sciver*, 2023 U.S.P.Q.2d 601 (T.T.A.B. 2023), citing *Blonder-Tongue Labs., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313, 329, *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, *In Re FCA US LLC*, 126 U.S.P.Q.2d 1214, *In re Trans Texas Holdings Corp.*, 498 F.3d 1290, *In re Cordua Rests.*, 823 F.2d 594, 118 U.S.P.Q.2d 1632, 1635 n. 2 (Fed. Cir. 2016) and *Miss Universe L.P. v. Community Marketing, Inc.*, 82 USPQ2d 1562, 1571 (TTAB 2007).

⁶⁸ Changes to Implement Provisions of the Trademark Modernization Act of 2020, 86 Fed. Reg. 64,300, 64,318 (2021).

bona fide intention to use the mark in commerce.⁶⁹ (Emphasis added.)

Accordingly, in a case where the statement of bona fide intent to use looks phony, arguably it is within the discretion of an Examiner to engage in limited Internet research to evaluate the applicant's bona fides, and if warranted, to require the applicant to provide objective proof of its bona fides. Such an enquiry could be motivated by a drastically overbroad statement of goods and services in a multitude of classes, and a history of the applicant engaging in similar conduct. Failure of the applicant to provide documentary evidence such as business plans, advertising, or marketing plans as indicated above to support the applicant's bona fides could be a fatal defect.⁷⁰

As indicated above, in view of a sharp increase of improper applications filed by foreign applicants, particularly applications filed by residents of China, the Rules of Practice in Trademark Cases now requires foreign-domiciled applicants to be represented by a lawyer licensed to practice law in the United States. There are no sanctions at present against lawyers who routinely file applications containing improbable declarations of bona fide intention to use. An alternative to sanctions may be requiring lawyers who have a history of conspicuous overclaiming to be warned that continued conduct of this kind could lead to revocation of their authority to practice before the USPTO.⁷¹

IV. EUROPEAN UNION

Registration of trademarks in the European Union ("EU") is governed by Regulation 2017/1001 of the European Parliament⁷² (the "Regulation") and the EU Directive (the "Directive").⁷³ Article 59(1)(b) of the Regulation provides that an EU mark shall be

⁶⁹ See TMEP §710.01(b).

⁷⁰ Cf. *In re Promo Ink*, 78 USPQ2d 1301, 1303 (TTAB 2006), where the Board rejected applicant's argument that it was improper for the examining attorney to rely on evidence obtained from applicant's website to show descriptiveness when the application was based on intent to use and no specimens were yet required. According to the Board, "[T]he fact that applicant has filed an intent-to-use application does not limit the examining attorney's evidentiary options, nor does it shield an applicant from producing evidence that it may have in its possession"; see also *In re Reed Elsevier Props. Inc.*, 482 F.3d 1376, 1379, 82 U.S.P.Q.2d 1378, 1380 (Fed. Cir. 2007) (it was appropriate for the TTAB to review the applicant's website to understand the claimed services).

⁷¹ Sanction orders issued by the USPTO are listed here: <https://foiadocuments.uspto.gov/oed/>.

⁷² Council Regulation (EU) 2017/1001 on The European Union Trade Mark, 2017 O.J. (L 154), 1-99.

⁷³ Council Directive 2015/2436, of the European Parliament and of the Council of 16 December 2015 to Approximate the Laws of the Member States Relating to Trade Marks, 2015 O.J. (L 336), 1. "Bad faith" appears in Recital 29, Article 4(2), Article 5(4)(c), and Article 9(1) of the Directive.

declared invalid “where the applicant was acting in bad faith when he filed the application for the trademark.” Bad faith is neither defined in the Directive nor the Regulation, although the apparent aim is for bad faith to be given a uniform interpretation throughout the EU.⁷⁴ The Regulation does not define bad faith and, moreover, this ground can be raised only in a validity attack post-grant.⁷⁵ The absence of a definition of bad faith has led to considerable litigation that to date has not entirely been resolved. The reference to “bad faith” in the Directive and Regulation applies only to trademark law governed by the Directive or the Regulation.

The Court of Justice of the European Union (“CJEU”) has held that the assessment of bad faith “must be the subject of an overall assessment, taking into account all the factors relevant to the particular case.”⁷⁶ It is therefore reasonable to assume that in the EU “bad faith” requires proof of some dishonesty in relation to acquisition or enforcement of trademark rights.⁷⁷ The U.S. requirement of *verified* bona fide intent to use coupled with other measures referred to in this article, though not perfect, is far better than the provisions of the EU Regulation and the EU Directive. In short, existing EU legislation does not appear to be successful in significantly reducing bad faith in relation to cluttering, and at present there doesn’t appear to be a consensus as to whether, or how to deal with cluttering of the EUTM register.

In a 2012 paper published by Max Planck Institute for Intellectual Property and Competition Law entitled *The Study on the Functioning of the European Trademark System*, it is stated that possible reasons for cluttering of the (then called) Community Trademark Register are “the attractiveness of the Community trademark compared with national rights” and that the system benefits the registration of “excessively broad rights.”⁷⁸ The paper

⁷⁴ Case C-104/18 P, Koton Mağazacılık Tekstil Sanayi ve Ticaret AS v. EUIP - Nadal Esteban, ECLI:EU:C:2019:724, ¶ 46 (Sept. 12, 2019) defined “bad faith.” an older version of the regulation, Article 52(1)(b) of Regulation No 207/2009, 2009 O.J. (L 78), 1 (EC), as when a trademark owner has applied for registration of the trademark with the intention of damaging the interests of third parties or with the intention of obtaining an exclusive right for purposes other than those pertaining to normal commerce. See also, Giuseppe Sanseverino, Bad faith in EU trade mark law: the impact of *SkyKick* post-Brexit, JIPLP, vol. 20, issue 6, p. 376.

⁷⁵ Regulation art. 59.

⁷⁶ Case C-529/07, Chokoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH, ECLI:EU:C:2009:361, ¶ 37 (Mar. 12, 2009).

⁷⁷ See C-104/18 P, Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ v. EUIPO, ECLI:EU:C:2019:287 (Apr. 4, 2019). Examples of bad faith include filing trademark applications with the intention of undermining the interests of third parties, or to obtain exclusive rights to a trademark that are inconsistent with normally accepted honest trading practices. *Id.* ¶¶ 32-37.

⁷⁸ Roland Knaak *et al.*, “The Study on the Functioning of the European Trade Mark System” 5 (Max Planck Institute for Intell. Prop. & Competition L. Rsch. Paper No. 12-13) (Nov. 1, 2012).

adds that unlike “American law, the objective of European trade mark law is not to provide a generally accurate image of the use situation on the market through the Trade mark Register.”⁷⁹ A survey is cited indicating that only 29% of trademark owners feel that cluttering is a problem although 41% of agents felt otherwise. It would be interesting to know what a similar survey would now reveal, especially if an appropriate percentage of SMEs are included in the survey. As indicated below, the EU register suffers from trademark cluttering to a far greater extent than the USA, and this must create costly problems for clearance of trademarks for use in the EU. The entities most likely to suffer from cluttering are SMEs upon which economic growth largely depends.

A prominent former U.K. jurist, The Rt. Hon. Professor Sir Robin Jacob, expressed his consternation with the practice of overclaiming in the EU as follows:⁸⁰

It is apparent from the specifications of goods being allowed by OHIM⁸¹ that owners are being allowed to register for ranges of goods or services far wider than their use, actual or intended. This causes the Office massive unnecessary work-hours spent ploughing through long specifications to find out whether, buried in there, are goods or services of which the mark is descriptive. Even more seriously these overbroad registrations are likely to hamper trade. And of course they may put up costs for anyone seeking registration of a mark or contemplating using it. The problem needs resolution. Sooner, rather than later, rules will have to be developed to stop this nonsense. It is not good enough to say that there can be later part-cancellation of wide specifications for non-use. Who would bother with the expense and time involved when they want to get on with their business?

In March 2023, the European Union Intellectual Property Network (“EUIPN”) published Draft No.2 entitled CP 13 *Trademark Applications Made in Bad Faith*. This document discusses in considerable detail cases involving bad faith in EU trademark cases but contains no recommendations for reform or amendment of EU trademark legislation.⁸²

Unlike the U.S. Lanham Act, which requires use in commerce or a bona fide intent to use the trademark in commerce to establish

⁷⁹ *Id.*

⁸⁰ David Kitchin & David Llewelyn, *Kerly’s Law of Trademarks and Trade Names* at viii-ix (13th ed. 2000).

⁸¹ Office for the Harmonization in the Internal Market, re-named European Union Intellectual Property Office (“EUIPO”) in 2016.

⁸² European Union Intellectual Property Network, *Trade Mark Applications Made in Bad Faith* (Mar. 2024), https://www.tmdn.org/network/documents/10181/2556742/CP13_Common_Communication_en.pdf/1cdbc448-b8a6-4507-9f57-ed8b780593a1.

trademark rights, the EU Regulation is based on first to file. In the case of a challenge to an EU trademark based on overly broad descriptions of goods or services, the burden of proof is on the entity challenging the application or registration to establish dishonesty, a subjective issue that requires objective proof, which in general is difficult to establish.⁸³

Cases involving bad faith undermining of the interests of third parties include *Simca Europe Ltd v. Office for Harmonization in the Internal Market (“OHIM”) and GIE PSA Citroën*,⁸⁴ *SA.PAR.Srl v. OHIM and Salini Costruttori Spa*,⁸⁵ and *Holzer y Cia, SA de CV v. European Union Intellectual Property Office (“EUIPO”) & Annco, Inc.*⁸⁶ Cases where bad faith was not found are *Ladislav Zdút v. EUIPO and Nehera et al.*,⁸⁷ *Cipriani v. EUIPO and Hotel Cipriani Srl*,⁸⁸ and *Peeters Landbouwmachines BV v. OHIM (TM “BIGAB”)*.⁸⁹

Cases involving bad faith where a third party was not targeted but bad faith was found include *Verus Eood v. EUIPO*⁹⁰ (trademark LUCEO), *Hasbro, Inc. v. EUIPO and Kreativni Dogadaji d.o.o.*,⁹¹ and *Target Ventures Group Ltd. v. EUIPO and Target Partners*.⁹² None of the foregoing cases involved overclaiming. Cases where bad faith was not found include *pelicantravel.com s.r.o v. OHIM and Pelikan Vertriebsgesellschaft mbH & Co. KG*,⁹³ *Think Schuhwerk v. OHMI and Müller*,⁹⁴ *Pest Control Office Ltd. v. Full Colour Black Ltd. (Banksy’s Monkey)*,⁹⁵ *1906 Collins LLC v. EUIPO and Peace United*

⁸³ See Case R 1246/2021-5, *Pest Control Office Ltd. v. Full Colour Black Ltd.*, EUIPO (Oct. 25, 2022).

⁸⁴ Case T-327/12, *Simca Europe Ltd. v. OHIM - GIE PSA Peugeot Citroën*, ECLI:EU:T:2014:240 (May 8, 2014).

⁸⁵ Case T-321/10, *SA.PAR. Srl v. OHIM - Salini Costruttori SpA*, ECLI:EU:T:2013:372 (July 11, 2013).

⁸⁶ Joined Cases T-3/18 and T-4/18, *Holzer y Cia, SA de CV v. EUIPO - Annco, Inc.*, ECLI:EU:T:2019:357 (May 23, 2019).

⁸⁷ Case T-250/21, *Zdút v. EUIPO - Nehera*, ECLI:EU:T:2022:430 (July 6, 2022).

⁸⁸ Case T-343/14, *Cipriani v. EUIPO - Hotel Cipriani Srl*, ECLI:EU:T:2017:458 (June 29, 2017).

⁸⁹ Case T-33/11, *Peeters Landbouwmachines BV*.

⁹⁰ Case C-101/17 P, *Verus Eood v. EUIPO- Maquet GmbH*, ECLI:EU:C:2017:979 (Dec. 14, 2017).

⁹¹ Case T-663/19, *Hasbro, Inc. v. EUIPO - Kreativni Dogadaji d.o.o.*, ECLI:EU:T:2021:211 (Apr. 21, 2021).

⁹² Case T-273/19, *Target Ventures Group Ltd. v. EUIPO - Target Partners GmbH*, ECLI:EU:T:2020:510 (Oct. 28, 2020).

⁹³ Case T-136/11, *pelicantravel.com s.r.o. v. OHIM - Pelikan Vertriebsgesellschaft mbH & Co. KG*, ECLI:EU:T:2012:689 (Dec. 13, 2012).

⁹⁴ Case T-50/13, *Think Schuhwerk GmbH v. OHIM - Müller*, ECLI:EU:T:2014:967 (Nov. 18, 2014).

⁹⁵ Case R 1246/2021-5, *Pest Control Office Ltd.*

Ltd.,⁹⁶ *Orange Brand Services Ltd. v. Intel Corp.*,⁹⁷ and *Athlet v. EUIPO—Heuver Banden Groothandel (ATHLET)*.⁹⁸ In *Orange Brand*, the Cancellation Division of the EUIPO made the following observation:

The fact that the EUTM proprietor may have filed for goods which are not the main part of its business or for which it has not commenced production does not immediately show bad faith. Indeed most filings of trademarks are done in relation to a broader range of goods and services than is possibly needed.

Assuming the foregoing statement is accurate, it demonstrates why the EU Register is crowded with trademark registrations covering goods for which the trademark has not been used and is unlikely ever to be used, clearly a detriment to trade and commerce especially if unrelated to the core businesses of trademark owner.

Although use of a trademark in the EU or elsewhere is not a requirement for registration, Article 18 provides that if, “within a period of five years following registration, the proprietor has not put the EU trademark to genuine use in the Union in connection with the goods or services in respect of which it is registered . . . the EU trademark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.”⁹⁹

Applications are not examined on relative grounds in relation to confusion with prior registered trademarks or pending applications, so unless the owner of a prior EU registration files opposition, the trademark will issue to registration. In the case of an opposition, the owner of the prior EU registration challenging the application may be required to prove that during the five-year period preceding the date of filing or the date of priority of the opposed application, the prior EU trademark has been put to “genuine use” in the EU in connection with the goods or services in respect of which it is registered,¹⁰⁰ unless it has been used only in association with some of the goods or services, in which case the opposition will proceed on the basis of only the latter goods or services. According to Article 47(2) EUTMR, use of the earlier mark needs to be shown only if the applicant requests proof of use. The institution of proof of

⁹⁶ Case T-160/22, 1906 Collins LLC v. EUIPO - Peace United Ltd. (Nov. 8, 2022).

⁹⁷ EUIPO decision of Board of Appeal, f 15/11/2021, R 2911/2019-5.

⁹⁸ Case No. T-650/22, *Athlet Ltd. v. Heuver Banden Groothandel BV*, ECLI:EU:T:2024:11 (Jan. 17, 2024).

⁹⁹ Council Regulation (EU) 2017/1001 on The European Union Trade Mark, art. 18 ¶ 1.

¹⁰⁰ Article 58 provides that the rights of the proprietor of the EU trademark shall be revoked “if, within a continuous period of five years, the trademark has not been put to genuine use in the Union in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use.” *Id.* at art. 58 ¶ 1(a).

use is, therefore, designed in opposition proceedings as a defense plea of the applicant.¹⁰¹

If the framers of the Regulation were motivated by the desire to make trademark registration in the EU as easy as possible, with the least impediments, they have succeeded only too well. In the result, there has been extensive litigation, and substantial cluttering of the Register. Despite considerable litigation, the scope of “bad faith” remains, at least to some extent, “a riddle wrapped in a mystery, inside an enigma.”¹⁰²

A case in point is *Sky v. SkyKick*.¹⁰³ Sky alleged that SkyKick’s use of the trademark SKYKICK infringed its EU and UK trademarks for the SKY trademark. SkyKick defended, inter alia, on the ground that Sky’s marks had been applied for in bad faith because Sky had no real intention of using the trademark on many goods or services for which Sky had claimed infringement and therefore Sky was guilty of bad faith. SkyKick claimed that the registrations were wholly invalid on this ground. SkyKick accepted that Sky did intend to use the trademarks in relation to some of the goods and services covered by their registrations.

The case was brought in the UK and originally became before Arnold J. (as he then was) who referred certain questions to the CJEU, including whether Sky was guilty of bad faith by overclaiming. Two of the questions put to the CJEU are as follows:

(3) Can it constitute bad faith simply to apply to register a trademark without any intention to use it in relation to the specified goods or services?

(4) If the answer to question (3) is yes, is it possible to conclude that the applicant made the application partly in good faith and partly in bad faith if and to the extent that the applicant had an intention to use the trademark in relation to some of the specified goods or services, but no intention to use the trademark in relation to other specified goods or services?

¹⁰¹ See EUIPO Trade Mark Guidelines, pt. C, § 1, ch. 5.1, available at <https://guidelines.euipo.europa.eu/2302857/2045696/trade-mark-guidelines/5-1-admissibility-of-the-request-for-proof-of-use> (“Article 47(2) EUTMR is not applicable when the opponent, on its own motion, submits material relating to use of the earlier mark invoked (for example, for the purposes of proving enhanced distinctiveness under Article 8(1) EUTMR, well-known character under Article 8(2)(c) EUTMR, or reputation under Article 8(5) EUTMR). As long as the EUTM applicant does not request proof of use, the issue of genuine use will not be addressed by the Office *ex officio*. In such cases, in principle, it is even irrelevant that the evidence produced by the opponent might demonstrate only a particular type or manner of use, or use that is limited to only part of the goods or services for which the earlier mark is registered.”).

¹⁰² Sir Winston Churchill made this observation in a radio broadcast in 1939, concerning Russia’s intentions following the outbreak of World War II.

¹⁰³ Case C-371/18, *Sky plc*.

The Court summarized its answers to these questions as follows:¹⁰⁴

In the light of the foregoing, the answer to the third and fourth questions is that Article 51(1)(b) of Regulation No 40/94 and Article 3(2)(d) of First Directive 89/104 must be interpreted as meaning that a trademark application made without any intention to use the trademark in relation to the goods and services covered by the registration constitutes bad faith, within the meaning of those provisions, if the applicant for registration of that mark had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trademark. When the absence of the intention to use the trademark in accordance with the essential functions of a trademark concerns only certain goods or services referred to in the application for registration, that application constitutes bad faith only in so far as it relates to those goods or services.

According to this decision, bad faith cannot be presumed merely because the applicant had no economic activity corresponding to the goods and services covered by the specification of goods or services at the filing date or even any realistic expectation that such activity might occur in the following five years. In addition, if bad faith exists in respect of only some goods or services, the trademark is invalid only in relation to those goods or services. This said, it is reasonable to conclude that an EU registration would likely be invalid at least in part to the extent it covers goods or services for which the trademark owner had no genuine intention of ever using the trademark in the EU and the application was made at least in part for the purpose of artificially extending the protection afforded by the registration. Conversely, if the trademark owner can establish a legitimate intention of using the trademark, the trademark should be immune from cancellation on this ground.¹⁰⁵

In any case, proving bad faith is not easy. Compelling evidence is needed given the seriousness of the issue. Thus, in *Walton International Ltd. v. Verweij Fashion BV*, it was held there is a

¹⁰⁴ *Id.* ¶ 81.

¹⁰⁵ Case C-40/01, *Ansul BV v. Ajax Brandbeveiliging BV*, ECLI:EU:C:2003:145, ¶ 36 (Mar. 11, 2003) (“‘Genuine use’ must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trademark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.”).

presumption of good faith unless the contrary is proved.¹⁰⁶ This said, an application covering a multitude of classes specifying hundreds of unrelated goods with no bona fide intention to use must surely be invalid. EU examiners have no obligation to require the applicant to provide evidence as to their intent to genuinely use the trademark in the EU irrespective whether the list of goods and services looks phony.

The Sky case came back to the UK for decision, which will be discussed in detail in the UK section below.

Under the EU Regulation, trademark owners have a five-year grace period within which to commence use of a registered trademark in the EU. It has been the practice of some trademark owners to try to circumvent this requirement by refiling, to obtain the benefit of an additional five-year grace period. This practice was found to constitute bad faith in a case involving the trademark MONOPOLY, owned by Hasbro, Inc.¹⁰⁷ Kreativni Dogadaji applied to cancel the MONOPOLY registration on the ground that Hasbro had acted in bad faith by attempting to circumvent the use requirement by refiling. The Board of Appeal sided with Kreativni in finding that it was impermissible to repeat the statement of goods or services of earlier registrations in refiling. The EU General Court stated the following to be among its reasons:

The *ratio legis* for the requirement that a mark must have been put to genuine use in order to be protected under EU law is that the entry of an EU trademark in EUIPO's register cannot be regarded as a strategic and static filing granting an inactive proprietor a legal monopoly for an unlimited period. On the contrary, that register must faithfully reflect what companies actually use on the market to distinguish their goods and services in economic life (see, to that effect, judgment of 15 July 2015, *Deutsche Rockwool Mineralwoll v OHIM – Recticel (λ)*, T-215/13, not published, EU:T:2015:518, paragraph 20 and the case-law cited).¹⁰⁸

In the absence of bad faith, there is no prohibition against refiling of an application for registration of a trademark, but the justification for refiling must be genuine and not merely for the purpose of avoiding the use requirement.¹⁰⁹ In this regard, in *Hasbro*, the General Court stated the following:

it is apparent from the Board of Appeal's findings that the applicant admitted, and even submitted, that one of the advantages justifying the filing of the contested mark was

¹⁰⁶ [2018] EWHC (Ch) 1608, ¶ 186.

¹⁰⁷ Case T-663/19, *Hasbro, Inc.*

¹⁰⁸ *Id.* ¶ 54.

¹⁰⁹ *Id.*, ¶ 70.

based on the fact that it would not have to furnish proof of genuine use of that mark. Such conduct cannot be held to be lawful conduct, but must be held to be contrary to the objectives of Regulation No 207/2009, to the principles governing EU trademark law and to the rule relating to proof of use, as referred to in paragraphs 49 to 55 above.¹¹⁰

Accordingly, repeat filing intended to avoid the consequences of non-use likely constitutes bad faith.¹¹¹ A registration for an EU trademark owned by Pest Control, the entity authorized to license works by the artist Banksy, was partially invalidated on the ground that the refiled application was intended to circumvent the use requirement.¹¹²

V. UNITED KINGDOM

The leading UK case dealing with overclaiming is *Sky Ltd. et al. v. Skykick, UK Ltd. et al.*,¹¹³ a decision of the Supreme Court of the UK. The plaintiffs, Sky Ltd. and its associated companies Sky International AG and Sky UK Ltd. (collectively “Sky”), are well known in the UK in relation to the fields of broadcasting, telephony, and broadband services. The defendants, SkyKick, UK Ltd. and SkyKick, Inc. (collectively “SkyKick”), were sued by Sky for using SKYKICK in relation to the provision of email migration and cloud storage services. The litigation history of the case is complex, having been the subject of multiple first instance judgments, a judgment of the Court of Justice of the European Union (“CJEU”) discussed above and finally a judgment of The Supreme Court of the United Kingdom (“SCUK”).¹¹⁴

The trial judge Arnold J. (as he then was) found that Sky had acted in bad faith, and that its trademark registrations were partially invalid. He also found that SkyKick’s email migration and cloud storage services infringed Sky’s, thus restricted trademark registrations.

Section 32 of the 1994 UK Trademarks Act requires¹¹⁵ that the application contain a statement of the goods or services in relation to which it is sought to register the mark. Section 32(3) provides as follows:

¹¹⁰ *Id.*

¹¹¹ *Id.* ¶ 72; see also Case T-136/11, *pelicantravel.com s.r.o.*, ¶ 23.

¹¹² EUIPO Cancellation No. C 47 807, *Full Colour Black Ltd. v. Pest Control Office Ltd.*, 20 (Dec. 21, 2023).

¹¹³ [2024] UKSC 36 (appeal taken from [2021] EWCA Civ 1121).

¹¹⁴ For a detailed discussion of the *Skykick* issues, see Luminita Olteanu, *Bad Faith: investigating overbroad trademark registrations*, *Intell. Prop. Q.*, no. 4, 2023.

¹¹⁵ The Trade Marks Act 1994, § 32(2)(c).

“The application shall state that the trademark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a bona fide intention that it be so used.”¹¹⁶

The issue of whether the applicant must have a good faith intention to use the trademark at the filing date of the application was referred by Arnold J. to the CJEU.

CJEU’s main findings were (a) that where the ground for invalidity exists in respect of only some of the goods or services for which the trademark is sought to be registered, the trademark is to be declared invalid as regards those goods or services only,¹¹⁷ and (b) “Article 3(2)(d) of First Directive 89/104 must be interpreted as meaning that a trademark application made without any intention to use the trademark in relation to the goods and services covered by the registration constitutes bad faith, within the meaning of those provisions, if the applicant for registration of that mark had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trademark. When the absence of the intention to use the trademark in accordance with the essential functions of a trademark concerns only certain goods or services referred to in the application for registration, that application constitutes bad faith only in so far as it relates to those goods or services.”¹¹⁸

When the case went back to the UK Court of Appeal, it was held that Sky had not acted in bad faith and dismissed SkyKick’s cross appeal on infringement. SkyKick then appealed to the Supreme Court. The grounds for SkyKick’s appeal were (1) that Sky employed the practice of applying for trademark registrations covering goods and services for which it has no bona fide interest in using them for all the goods and services covered by the registrations, and therefore the registrations were wholly invalid on this basis, and (2) that the registrations were invalid but only to the extent they cover goods and services for which Sky had no intention to use the trademarks.

One of the five Sky registrations in suit is No. UK 2500604. This registration covers 20 classes, and the description of the goods and services comprises over 5,000 words. The description includes “whips,” “insulating materials,” “bleaching preparations,” “anti-perspirants,” “maintenance and repair of radios,” among hundreds of other goods and services for which Sky could not possibly have had any intention of using the trademark.¹¹⁹

The bad faith issues in the case are summarized as follows:

¹¹⁶ *Id.* § 32(3).

¹¹⁷ Case C-371/18, *Sky plc*, ¶ 80.

¹¹⁸ *Id.* ¶ 81.

¹¹⁹ *SkyKick UK Ltd. v. Sky Ltd.*, [2018] EWHC (Ch) 1608, (Ch) ¶ 83.

(1) What is the test for determining “bad faith” in Section 3(6) of the Trademarks Act 1994¹²⁰?

(2) If such bad faith is found, what is the correct approach to determining the specification that the proprietor of the trademark should be permitted to retain?

The Supreme Court appeal was heard on June 28 and 29 of 2023, and the judgment was given on November 12, 2024. It was written by Lord Kitchin, with whom the other justices agreed. Lord Kitchin was the co-author of the 13th edition of *Kerly’s Law of Trademarks and Trade Names*. The UKSC judgment comprises 145 pages.

SkyKick had reportedly laid off 140 employees prior to the Supreme Court decision, and in 2024 was acquired by ConnectWise, a Tampa, Florida–based IT management company. The case was settled prior to the decision, and the parties filed a request with the Supreme Court to withdraw the appeal. That request commendably was refused given the importance of the issues raised in the appeal. The issues before the Supreme Court are summarized as follows:

(1) What is the test for determining “bad faith” in Section 3(6) of the Trademarks Act 1994?

(2) If such bad faith is found, what is the correct approach to determining the specification that the proprietor of the trademark should be permitted to retain?

The Supreme Court agreed with the original decision of Arnold J in the High Court in relation to validity, finding that the Sky registrations were invalid to the extent they covered goods and services for which there was no genuine intention to use.¹²¹ Lord Kitchin disagreed with Sky’s characterization of EU case law concerning prospective use, stating “But I do not accept that these [General Court] decisions justify any general rule that the contrast between the size of the list of goods and services for which the applicant sought protection, on the one hand, and the nature of the business of the applicant, on the other, can never justify a finding that the application was made in bad faith. That would leave the system open to abuse and, in my view, it is not a reasonable or correct interpretation of the legislation.”¹²²

Lord Kitchin went on to add the following points:

261. I would mention two other matters in this context. First, there can be no doubt that an application to register a mark in respect of a broad category of goods or services may be made partly in bad faith in so far as the broad description includes distinct subcategories of goods or services in

¹²⁰ “A trademark shall not be registered if or to the extent that the application is made in bad faith.” This is one of the absolute grounds for refusal of registration.

¹²¹ SkyKick UK Ltd., [2018] EWHC (Ch) 1608 ¶ 254.

¹²² *Id.* ¶ 255.

relation to which the applicant never had any intention to use the mark, whether conditionally or otherwise. In my view, that emerges clearly from the decision of the CJEU in this case. The approach to be adopted in such a case was explored and explained by the Court of Appeal in *Merck KGaA v Merck Sharp & Dohme Corpn* [2017] EWCA Civ 1834; [2018] ETMR 10, at paras 241-249 and, so far as I am aware, that approach has proved workable and appropriate and has stood the test of time, save that it must now be seen in light of the more recent guidance given by the CJEU in, for example: *Ferrari SpA v DU* (Joined Cases C-720/18 and C-721/18) EU:C:2020:854; [2021] Bus LR 106, at paras 36-53. There the CJEU explained, at para 40, that the essential criterion to apply for the purposes of identifying a coherent subcategory of goods or services capable of being viewed independently is their purpose and intended use.

262. Secondly, it is now possible to dispel the concern expressed by counsel for the Comptroller-General that it is doubtful whether the introduction of restrictions on the use of broad terms in trademark specifications will alleviate the problem of cluttering, at least without the objection of bad faith filing “having some teeth.” In my opinion, and for the reasons I have given, the objection does have teeth: indeed, it has essentially the same teeth whether one is concerned with an unduly broad specification which uses general terms or specific sub-categories to describe goods or services and which, in either case, includes or identifies sub-categories of goods or services in relation to which the applicant never had any intention to use the mark.¹²³

In short, it was held that the Sky registrations were partly invalid for bad faith due to the breadth of the descriptions of goods and services coupled with the absence of genuine intention to use the trademarks in relation to such listed goods and services. The registrations remain valid but only for such goods and services for which there was a real intention to use. It is hoped that this decision will help to abate cluttering and serve as a lesson in other jurisdictions, especially the EU.

The practice of the United Kingdom Intellectual Property Office (“UKIPO”) in relation to bad faith was changed on April 3, 2023,¹²⁴ in light of comments made by the Appointed Person in *In re Global Trademark Services Ltd.* regarding the marks HENRY and

¹²³ *Id.* ¶¶ 261-62.

¹²⁴ U.K. Intell. Prop. Off., Dep’t for Sci., Innovation & Tech., Practice Amendment Notice 1/23 (Apr. 3, 2023), <https://www.gov.uk/government/publications/practice-amendment-notice-123> (last visited Oct. 14, 2025).

RONALDOINHO.¹²⁵ Practice paragraph 5.11 of the Examination Guide has been replaced with 5.11 Section 3(6), which provides that Section 3(6) of the Act can be considered during the course of the examination of a new trademark application.¹²⁶ Although applications for registration of trademarks are presumed to have been made in good faith, in the event an examiner identifies certain facts that appear to rebut such presumption, an objection based on Section 3(6) will be made.¹²⁷

The Global Trademark Services case identified several factors relevant to establishing bad faith taken from the Skykick Court of Appeal decision (Floyd LJ), including the following explanation: “The concept of bad faith, so understood, relates to a subjective motivation on the part of the trademark applicant, namely a dishonest intention or other sinister motive. It involves conduct, which departs from accepted standards of ethical behaviour or honest commercial and business practices.”¹²⁸

Some non-exhaustive examples of such facts and information include the following: information sufficient to demonstrate that an applicant is engaged in trademark squatting, acquiring trademarks not to use themselves but to sell back, or license, to the legitimate brand owners; information sufficient to demonstrate that an applicant is filing trademarks not for their own trademark use but merely for the purpose of creating conflict/dispute with others; and information sufficient to demonstrate that an applicant is intentionally seeking to mislead the public, obtaining the trademark as an instrument of fraud.¹²⁹

The issue of bad faith is an important aspect of the *Lidl v. Tesco*¹³⁰ case, a decision of the UK Court of Appeal. This was an appeal from a decision of judge Joanna Smith.¹³¹ The parties were competing supermarket operators. Lidl used a logo comprising the word LIDL within a yellow circle edged in red on a square blue background. Lidl owned a number of trademark registrations for

¹²⁵ BL O/264/22 (Mar. 30, 2022).

¹²⁶ UKIPO, Manual of Trade Marks Practice, The Examination Guide, pt. A, pt. 5.4 § 3(6) (Jan. 2021 ed.), <https://www.gov.uk/guidance/trade-marks-manual/the-examination-guide> (hereinafter “The Examination Guide”).

¹²⁷ Floyd LJ identified a number of factors pertinent to a finding of bad faith in *SkyKick UK Ltd. v. Sky Ltd.* [2021] EWCA (Civ) 1121.

¹²⁸ *Id.* ¶ 67.4. See also UKIPO PAN 1/23: Practice for raising bad faith objections at examination stage (Apr. 3, 2023), <https://www.gov.uk/government/publications/practice-amendment-notice-123/pan-123-practice-for-raising-bad-faith-objections-at-examination-stage>.

¹²⁹ See Global Trademark Servs. Ltd., BL O/264/22 (Mar. 30, 2022).

¹³⁰ *Lidl Great Britain Ltd. v. Tesco Stores Ltd.* [2024] EWCA (Civ) 262 (hereafter *Lidl v. Tesco*).

¹³¹ See *Lidl Great Britain Ltd. v. Tesco Stores Ltd.* [2023] EWHC (Ch) 783; *Lidl Great Britain Ltd. v. Tesco Stores Ltd.* [2023] EWHC (Ch) 1517.

both the logo with the word LIDL, and the logo without that word (the “Wordless registrations”). Lidl never used the registered trademarks without the word LIDL. Although Lidl contended before the trial judge and the Court of Appeal that the use of the trademark with the word LIDL constitutes use of the Wordless registrations, that contention was rejected by both the trial judge and the Court of Appeal. In short, it was found that Lidl’s Wordless registrations were registered in bad faith. Tesco’s attack on the validity of the wordless registrations was based on the ground that Lidl had no intention of using such trademark in the course of trade, but in order to secure a wider legal monopoly than Lidl is entitled to.¹³² Tesco further contended that their case is supported by evidence of “evergreening” by Lidl through applications to re-register the Wordless registrations in respect of partially duplicative goods and services. Although Tesco was found guilty of trademark infringement and passing off, the judge’s finding that the Wordless registrations were invalid was sustained. Once a registration has been procured in bad faith, this defect cannot be cured by subsequent use.

VI. JAPAN

Two statutes govern trademark and unfair competition protection in Japan, the Trademark Act¹³³ (“TMA”) covering registered trademarks, and the Unfair Competition Prevention Act¹³⁴ (“UCPA”) covering unregistered well-known trademarks. The Civil Code (“CC”)¹³⁵ applies to torts in general.

Japan, like most civil law countries, has adopted a first-to-file registration system.¹³⁶ Although trademarks that are well-known outside Japan are not specifically protected under the TMA or the UCPA, the TMA contains provisions denying registration of trademarks that are identical with, or similar to, trademarks that are well known among consumers in Japan, provided that the trademark for which registration is sought is used or proposed to be used in connection with goods or services similar to those associated with the well-known trademark.¹³⁷ In the case of prior trademarks

¹³² See *Lidl v. Tesco*, at ¶¶ 89-100.

¹³³ Trademark Act [TMA], Act. No. 127 of 1959, as amended up to October 1, 2022. For an unofficial English translation, visit <https://www.wipo.int/wipolex/en/legislation/details/21718>. See also Trademark Law Revision Act of 2023, Act No. 51 of 2023 (effective within one year of promulgation date, June 14, 2023).

¹³⁴ Fusei kyoso boshiho [Unfair Competition Prevention Act], Law No. 14 of 1934, amended by Law No. 47 of 1993. For an unofficial English translation, visit <https://www.japaneselawtranslation.go.jp/en/laws/view/3629>.

¹³⁵ Code, Act No. 89 of 1896, as amended by Act No. 44 of 2017. For an unofficial English translation, visit <https://www.japaneselawtranslation.go.jp/en/laws/view/3494/en>.

¹³⁶ TMA, *supra* note 115, art. 3 (i).

¹³⁷ *Id.* art. 4 (iii)(a).

that are well known abroad, trademarks are unregistrable in Japan if the trademark is used for unfair purposes, including gaining unfair profits, causing damage to others, or other unfair conduct.¹³⁸

Oppositions can be filed within two months following the publication of the application for registration in the trademark bulletin.¹³⁹ An action for invalidation must be filed within five years from the date of the registration, except for registrations obtained in bad faith or for the purpose of unfair competition.

An application for cancellation of a registration may be filed for a trademark that has not been used in Japan for three years or more and there is no just cause excusing non-use.¹⁴⁰ The burden of proving use is on the owner of the disputed trademark. Such action can be restricted to specified goods or services covered by the registration.

The TMA contains provisions dealing with fraudulent trademarks, including trademarks filed with a malicious intent to free-ride on the fame of a well-known but unregistered third-party trademark,¹⁴¹ and trademarks for which the applicant has no bona fide intent to use the trademark in Japan.¹⁴² Lack of bona fides is indicated if the applicant has a history of filing large numbers of applications without any intent to use the trademarks, including applications for trademarks that are similar to prior trademarks of others.

In the case of a disputed application or registration for a trademark similar to an unregistered trademark that is well-known outside Japan, the application or registration can be cancelled or invalidated upon proof that the application or registration was made for unfair purposes.¹⁴³

Squatters may try to benefit from provisions of the TMA that grant priority based on filing dates. If a squatter files an application covering many goods and services in multiple classes, the application can be divided, and such divided applications retain the benefit of the original filing date for priority purposes provided that requisite filing fees are paid.

The quantum of damages a trademark owner can obtain for trademark infringement is calculated based on the estimated lost

¹³⁸ *Id.* art. 4 (xix).

¹³⁹ *Id.* art. 43-2.

¹⁴⁰ *Id.* arts. 50 (1)-(2).

¹⁴¹ *Id.* art. 4 (xix).

¹⁴² *Id.* art. 3(i).

¹⁴³ *Id.* art 4 (1)(xix).

profits,¹⁴⁴ the estimated profits from the infringement,¹⁴⁵ or compensation for a reasonable amount of licensing fees.¹⁴⁶

An award of profits is denied if the trademark owner cannot prove that it has lost profits. Compensation based on loss of licensing fees likely is unavailable if the provable damages are negligible. If a squatter applies for an injunction based on alleged trademark infringement, it is possible that the claim will be denied upon proof of the squatter's misuse of trademark rights. If the squatter alleges infringement by another person, and such person files an opposition, files a request for invalidation, or commences a court action, the person accused of infringing frequently has a good likelihood of success. Nevertheless, such actions do not preclude legal risks, and considering litigation costs, paying the squatter a modest settlement amount may be preferred to litigation. Settlement may also be motivated by the desire to acquire ownership of the squatter's trademark.

A notorious squatter is Best License Company, run by Ikuhiro Ueda, who between them have filed up to 50 applications per day, with more than 10,000 applications in total. Despite the volume of these filings, Best License and Ueda have only a small number of registrations; most of the applications having been rejected for non-payment of application fees.¹⁴⁷ However, under the Trademark Law Treaty,¹⁴⁸ a reasonable period must be given to the trademark owner to pay. The TMA instead provides an opportunity for correction¹⁴⁹ as applied *mutatis mutandis* pursuant to Articles 17(3) and Article 18 of the Patent Act. Therefore, there is a certain period before a rejection decision is issued against mass applications by squatters. During this period, if an alleged infringing mark is one of many such applications, squatters such as Best License previously filed divisional applications to prolong the pendency of the applications. To curb this practice, the TMA was amended in 2018 to disallow divisional applications in cases where application fees have not been paid.¹⁵⁰ This led to a decrease in the multiple applications filed by Best License.

Article 64 of the TMA allows for registration of a Defensive trademark. A Defensive trademark can be registered by an entity that holds a registration for a trademark that is well known in

¹⁴⁴ *Id.* art. 38 (1).

¹⁴⁵ *Id.* art. 38 (2).

¹⁴⁶ *Id.* art. 38 (3).

¹⁴⁷ For a detailed examination of the trademark laws of Japan, see Weiguang Wu, *The Balances of Two Trademark Rights: Generation Systems in Japan's Trademark Laws*, 17 J. Marshall Rev. Intell. Prop. L. 608 (2018).

¹⁴⁸ Trademark Law Treaty, Oct. 27, 1994, 2034 U.N.T.S. 298.

¹⁴⁹ TMA, *supra* note 115, art. 77 (2).

¹⁵⁰ *Id.* art. 10 (1).

Japan with respect to the specific goods or services covered by the original registration. A Defensive trademark is infringed if a third party uses the identical trademark for goods or services covered by the registered Defensive trademark.¹⁵¹ Although on its face this provision seems to sanction a form of cluttering, in practice it is not so different from anti-dilution laws in countries such as the United States, as it applies only to marks well known in Japan.

It is not unusual for trademark owners to prefer to settle with squatters in lieu of an opposition given the cost, delay and uncertainty of an opposition. Foreign trademark owners therefore are well advised to register their trademarks in Japan and to arrange commercial use on a reasonable scale as soon as reasonably possible, to avoid the risk of having to deal with squatters.

VII. SOUTH KOREA

The Korean Trademark Act¹⁵² (“KTMA”) is based on first-to-file,¹⁵³ but there are important safeguards against overclaiming. For example, failure to use the trademark in Korea after three years from the date of the registration makes it vulnerable to cancellation for non-use.¹⁵⁴ Also, unlike some other first-to-file jurisdictions, trademark applications are examined on relative grounds including similarity to a prior trademark.¹⁵⁵ In addition, applications may be refused based on similarity to a third-party trademark that is well known in Korea. If the third-party trademark is not well known in Korea but is well known outside Korea, the applicant’s bad faith must be shown if the application is to be refused.

It’s possible to overcome such refusals by deleting goods or services that overlap with those for which the prior trademarks are registered or well known. Well-known trademarks are also protected by the Unfair Competition and Trade Secret Prevention Act (“UCPA”), which provides a civil cause of action for owners of well-known trademarks as well as a possible criminal action. Remedies include injunctions, monetary damages, and steps to restore damage to business reputation or goodwill. Consent letters may overcome such refusals subject to several conditions.¹⁵⁶

¹⁵¹ *Id.* art. 67(i).

¹⁵² Trademark Act, amended by Act No. 19809, October 31, 2023, *translated in* Korean Legislation Research Institute’s online database, <https://www.kipo.go.kr/upload/en/download/TrademarkAct.pdf>.

¹⁵³ *Id.* arts. 3 (1); 35.

¹⁵⁴ *Id.* art. 119 (1) 3.

¹⁵⁵ *Id.* art 34(1).

¹⁵⁶ See Sue Su-Yeon Chun, Clare Ryeojin Park, & Angela Kim, *Korea Is Poised to Allow Letters of Consent for Trademark Co-Existence*, Kim & Chang (Apr. 17, 2023), https://www.ip.kimchang.com/en/insights/detail.kc?sch_section=4&idx=27062.

The TMA does not protect unregistered trademarks, although as indicated above it does protect well-known trademarks by restricting registration of identical or similar well-known third-party marks. The TMA does not provide a cause of action against infringement of a well-known trademark, but an action may be possible under the UCPA. The authority of the Korean Intellectual Property Office (“KIPO”) to sanction numerous unfair competitive acts under the UCPA became effective February 20, 2024.¹⁵⁷

Bad faith filings are discussed in detail in a publication of the KIPO and a Kim & Chang newsletter.¹⁵⁸ On February 20, 2024, the UCPA was amended to give the KIPO the authority to impose corrective orders on parties found guilty of committing unfair competitive acts. These include causing source confusion, unauthorized imitation of the form of another’s product, violating a person’s right of publicity, and theft of ideas. Under this amendment, the KIPO is entitled to impose a fine of up to KRW 20 million if the offender does not comply with the order without legitimate reasons.¹⁵⁹

VIII. RESOLUTION OF THE INTERNATIONAL TRADEMARK ASSOCIATION

In 2020, INTA adopted a Resolution entitled *Bad Faith Trademark Applications and Registrations*,¹⁶⁰ as follows:

1. Bad Faith should be explicitly recognized as a basis for the refusal of a trademark application, and trademark offices should be granted the power to refuse such applications *ex officio* during the process of initial examination.
2. Bad Faith should be explicitly recognized as a basis for opposing an application or invalidating a registration throughout the term of the registration.
3. Upon submission of prima facie evidence of Bad Faith in prosecution and contentious proceedings, the applicant/

¹⁵⁷ See Seok Hyun Kwon & Clare Ryeojin Park, *KIPO’S Authority Against Unfair Competitive Acts Expands*, Kim & Chang (Feb. 20, 2024), <https://www.ip.kimchang.com/en/newsletter.kc?idx=28989>.

¹⁵⁸ KIPO, *Bad-Faith Trademark Filings Under Korean Trademark Act* (May 13, 2014), available at https://tmfive.org/files/App-5_KIPO-Bad-faith-seminar.pdf; Alexandra Bélec & Seok Hyun Kwon, *No Goods Left Behind: Invalidating Bad Faith Filings*, Kim & Chang (May 8, 2014), https://www.kimchang.com/newsletter/20140508/newsletter_ip_en_may2014_article11.html.

¹⁵⁹ Seok Hyun Kwon & Clare Ryeojin Park, *KIPO’s Authority Against Uncompetitive Acts Expands*, Kim & Chang (Apr. 24, 2024), https://www.ip.kimchang.com/en/insights/detail.kc?sch_section=4&idx=29241.

¹⁶⁰ Int’l Trademark Ass’n (INTA), *Bad Faith Trademark Applications and Registrations* (Nov. 11, 2020), https://www.inta.org/wp-content/uploads/public-files/advocacy/board-resolutions/BadFaithBoardResolutionNov2Clean_Final.pdf.

registrant should bear the burden of proving bona fide adoption or use and/or an honest interest in the trademark.

4. Trademark offices should be encouraged to maintain records of applicants and registrants who have been identified as Bad Faith filers either by a trademark office or in a judicial or administrative decision, which records may serve as evidence of Bad Faith in subsequent proceedings.

5. Bad Faith filers should be required to reimburse rights holders for legal expenses and related costs incurred in combating Bad Faith filings, and violations should be subject to remedies, including the payment of fines and damages, to serve as a meaningful deterrent to Bad Faith filings.¹⁶¹

The INTA resolution resulted from a survey to determine how members react to bad faith in relation to trademark issues.¹⁶² Although it was found that many survey respondents believe that bad faith is a severe problem or at least is an issue worthy of attention, there was no consensus as to how to deal with bad faith, if at all. The following are examples provided by INTA as to the interpretation and application of the Resolution:

1. Bad Faith as a ground for refusal at examination

Applications filed in Bad Faith should be subject to challenge on examination and the examiners should be given the power to reject where sufficient evidence of Bad Faith exists by whatever procedure the jurisdiction decides is appropriate. Where such evidence is *prima facie*, the application can be automatically rejected *ex-officio*. In addition, Offices may consider further mechanisms to facilitate consideration of bad faith at the examination stage, including tools or mechanisms such as accepting third-party observations to be filed against pending applications. Addressing bad faith at the examination stage will significantly reduce the cost and damage to brand owners, conserve judicial and administrative resources, and serve as a deterrent to Bad Faith applicants.

2. Bad Faith as a ground for opposition or cancellation

Bad Faith should be an explicit and valid ground for bringing opposition and cancellation actions before the office and/or court.

Consideration should be given to introducing appropriate procedures that will allow for multiple proceedings which involve common questions of law or fact to be consolidated

¹⁶¹ *Id.* at 1-2.

¹⁶² *Id.* at 3.

into a single action. These measures also allow for a more effective, immediate removal of bad faith applications that were not rejected during examination, without forcing the right holder to initiate lengthy and expensive judicial proceedings.

3. Burden of proof where prima facie evidence of Bad Faith exists

In prosecution and contentious proceedings where prima facie evidence of Bad Faith is established, such proceedings should provide for a shift in the evidential burden away from the opponent, instead requiring the applicant/registrant to demonstrate their bona fide adoption or use and/or an honest interest in the trademark or meet the legal burden of showing that there is no Bad Faith. Bad faith will inevitably involve a subjective 'intent' element, and, in the absence of a discovery/disclosure process, there is an information disparity which will make it very difficult for an opponent to meet the legal burden. Conversely, it should be relatively easy for an applicant to prove an honest interest in the mark. A shifting of the burden is also likely to assist cost effective evidence preparation.

4. Maintaining records regarding Bad Faith filers

INTA supports the creation of public, searchable records to identify Bad Faith filers, which may be by publication of decisions, cooperation and communication between public registers, or even establishment of local or coordinated international registers of Bad Faith filers, all of which can be referenced by examiners or judges in assessing whether there is evidence of Bad Faith.

5. Punitive measures to be imposed in respect of bad faith activity:

In contested registration proceedings, trademark offices and courts should be given the power to award attorneys' fees and levy fines in order to potentially deter repeat offenders from filing future applications. To maximize deterrence, these authorities should be provided the power to impose fines or other appropriate punitive sanctions in cases of prolific bad faith filers, trademark pirates, submitting fraudulent evidence, false Statutory Declarations of intention to use, repeated activity by the same trademark agent representing prolific Bad Faith applicants, etc.¹⁶³

¹⁶³ *Id.* at 3-4.

IX. RECOMMENDATIONS

As noted above, INTA has been engaged in studying the cluttering problem in detail and has made many important recommendations worthy of careful consideration. Some of the following recommendations are based on INTA's recommendations as well as provisions in trademark laws of countries that have focused on abating the cluttering problem, such as Korea and Japan. It is hoped the following will stimulate further discussion and hopefully, action.

1. Trademark applications should be verified by a duly authorized representative of the applicant attesting to the bona fide intention of the applicant to use the trademark in the country for which registration is sought in relation to each of the goods and services described in the application.

2. False statements of bona fide intent to use should be a ground of opposition to registration and a ground for a declaration of invalidity.

3. Trademark applications or registrations can be deemed invalid if the trademarks are confusingly similar to prior unregistered trademarks that are well known in the country or region for which registration is sought or obtained.

4. Applications or registrations for trademarks that are confusingly similar to prior unregistered trademarks that are not well known in the country or region for which registration is sought, but are well known elsewhere, can be deemed invalid if it can be shown that the applications or registrations were applied for or obtained in bad faith.

5. Between the fifth and six years from the date of registration, registrants shall be required to file a verified statement of use in the country/region covered by the registration. In the event the trademark has so been used in relation to some but not all the goods or services covered by the registration, the registration shall be restricted to such goods or services.

6. Renewal of trademark registrations shall be supported by verified statements attesting to the use of the trademark in the country or region for each of the goods or services covered by the registrations.

7. After three years from the date of registration, any third party may apply for an order invalidating the registration in whole or in part based on the trademark not having been used in the country or region during the period of three years prior to such application.

8. No trademark application should be granted a filing date unless and until the filing fee for the application has been paid in full for all classes covered by the application.

9. Any lawyer or trademark agent who has engaged in repeated filings of trademark applications containing fraudulent statements of bona fide intent to use, shall be barred from acting for trademark

applicants for a minimum period of one year provided such lawyer or agent made such filings knowing that the statements of bona fide intent to use were fraudulent, or recklessly disregarded the truth of such statements.

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