OPINION OF ADVOCATE GENERAL JACOBS

delivered on 17 January 2002 [1]

1. Under Article 5(1)(a) of the Trade Marks Directive [2] the proprietor of a registered trade mark may prevent third parties from using in the course of trade any sign which is identical with the trade mark in relation to goods or services identical with those for which it is registered. The Tribunal de Grande Instance (Regional Court), Paris, wishes to know whether for that purpose a sign may be considered identical with a trade mark (a) if it reproduces only the distinctive element of the mark or (b) if it reproduces the whole of the mark with the addition of other signs.

Legislative background

Community legislation

2. Article 4(1) of the Directive provides:

'A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:

(a) if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for or is registered are identical with the goods or services for which the earlier trade mark is protected;

(b) if, because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the

1 — Original language: English.

2 — First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, OJ 1989 L 40, p. 1, hereinafter 'the Directive'.

goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.'

3. Similarly, Article 5(1) provides:

'The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.'

4. In that regard, the 10th recital in the preamble to the Directive states, *inter alia*, that:

'... the protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, is absolute in the case of identity between the mark and the sign and goods or services;... the protection applies also in the case of similarity between the mark and the sign and the goods or services;... it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion;... the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified, constitutes the specific condition for such protection...'.

5. In addition, although they are not directly in issue here, it may be noted that Articles 8(1)(a) and (b) and 9(1)(a) and (b) of the Community Trade Mark Regulation [3] contain provisions substantially identical to those of, respectively, Articles 4(1)(a) and (b) and 5(1)(a) and (b) of the Directive.

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

6. Thus, a trade mark is basically accorded absolute protection only against other marks or signs which are identical to it and used in respect of products which are identical to those for which it is registered; otherwise a likelihood of confusion must also be established.

French legislation

7. In France, the law on trade marks is codified in the Code de la Propriété Intellectuelle (Intellectual Property Code).

8. Article L.713-2 of the code prohibits 'the reproduction, use or affixing of a mark, even with the addition of words such as "formula, style, system, imitation, type or method", or the use of a mark which has been reproduced, in respect of goods or services identical with those for which the mark is registered'.

9. Article L.713-3 provides:

'Save where the owner has consented, the following shall be prohibited if there is a risk that they might lead to confusion in the mind of the public:

(a) the reproduction, use or affixing of a mark, or the use of a mark which has been reproduced, in respect of goods or services similar to those for which the mark is registered;

(b) the imitation of a mark or the use of an imitated mark, in respect of products or services identical with, or similar to, those for which the mark is registered.'

10. Those articles were originally introduced by Law No 91-7 of 4 January 1991, [4] which was notified by the French authorities as implementing the Directive.

4 — *Journal Officiel de la République Française*, 6 January 1991, p. 316; see Article 15(I) and (II).

Proceedings

11. LTJ Diffusion is a French company which produces and sells various items of clothing and the like under the trade name 'Arthur', which is registered in France (and also internationally for certain countries) as a figurative trade mark in a distinctive, handwritten form, with a dot below the initial 'A', for goods of class 25 in the Nice classification [5] (clothing, footwear and headgear). It uses that name to identify both the articles and the outlets in which they are sold.

12. SADAS is a company which operates a mail order business selling in particular clothing for children including a range named 'Arthur et Félicie', a designation which it has registered in France as a word trade mark for goods in a number of classes, including class 25, and which it has applied to register as a Community trade mark. From documents produced by LTJ Diffusion, the graphic form in which that mark is used by SADAS does not reproduce the type of handwritten script in which the mark 'Arthur' is registered.

13. LTJ Diffusion objects to SADAS's use of the mark 'Arthur et Félicie', which it considers to infringe its own mark 'Arthur', just as it has objected to other trade marks including that name. It has successfully opposed the registration in France, by another company, of the trade mark 'Arthur et Nina' for clothing, footwear and headgear, and its opposition to the registration requested by SADAS of 'Arthur et Félicie' as a Community trade mark is currently pending before a Board of Appeal within the Office for Harmonisation in the Internal Market (trade marks and designs) (hereinafter 'the OHIM'). However, its objections to the registration as Community trade marks of two other figurative marks including the word 'Arthur' have been dismissed by the First Board of Appeal since the introduction of the present proceedings. [6]

14. In its action before the Tribunal de Grande Instance, LTJ Diffusion challenges SADAS's use of its French registered trade mark 'Arthur et Félicie' and the validity of that registration. [7] It relies essentially on Articles L.713-2 and L.713-3 of the French Intellectual Property Code and on the way in which the former in particular has been interpreted in the case-law and by legal writers as covering also cases in which a

5 — See the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of June 15 1957, as revised at Stockholm on July 14 1967, and at Geneva on May 13 1977, and amended on September 28 1979.

6 — Decisions of 25 July 2001 in Case R 1196/2000-1 *LTJ Diffusion* v *Moorbrook Textiles* and of 3 October 2001 in Case R 433/2000-1 *Marc Brown* v *LTJ Diffusion*.

7 — It appears from what was said at the hearing that, when 'Arthur et Félicie' was registered as a French trade mark in 1993, there was no procedure available to LTJ Diffusion to oppose registration.

distinctive element of a complex mark is reproduced or in which either that distinctive element or the whole mark is reproduced together with additions which are deemed not to affect its identity. [8] SADAS impugns that interpretation as inconsistent with the terms of the Directive.

15. The national court has stayed the proceedings and requests a preliminary ruling on the following question:

'Does the prohibition in Article 5(1)(a) of Directive 89/104 of 21 December 1988 to approximate the laws of the Member States cover only identical reproduction, without addition or omission, of the sign or signs constituting a mark or can it extend to:

(1) reproduction of the distinctive element of a mark composed of a number of signs?

(2) full reproduction of the signs making up the mark where new signs are added?'

8 — French lawyers refer to the concepts of *'contrefaçon partielle'* (partial infringement) and *'adjonction inopérante'* (ineffective addition). In both academic writings and case-law, the origin of those concepts dates from a period before the transposition of the Directive into French law.

16. Written observations have been submitted by the parties to the main proceedings, the United Kingdom Government and the Commission, all of whom, together with the French Government, presented oral submissions at the hearing.

Analysis

Scope and context of the question

— The Directive

17. As framed, the national court's question relates exclusively to the right of the proprietor of a national trade mark to prohibit the use of a sign identical to that trade mark in relation to goods or services identical to those for which it is registered (Article 5(1)(a) of the Directive).

18. In that context it may be noted that the wording of the French legislation differs noticeably from that of the Directive which it is apparently intended to transpose. That may well be a cause of confusion in French courts and may make it more difficult to apply that legislation in accordance with

the Directive. However, it is clear as a matter of Community law that a national court which has to interpret such domestic legislation must do so as far as possible in the light of the wording and purpose of the directive in question, in order to achieve the result pursued. [9] That rule is not contested in the present case.

19. The answer to the national court's specific question is also relevant to the grounds on which registration of a trade mark may be refused or declared invalid under Article 4(1)(a), since the criterion of identity — between marks, or between mark and sign — is common to both contexts and the scheme of the Directive calls for a uniform interpretation. (I would stress that the notion of identity to be examined concerns only that between marks, or between mark and sign; when determining identity between goods or services — an issue which is not raised in this case — different considerations may be relevant.)

20. However, the Court's ruling will affect neither the right to prohibit use of an identical sign where goods or services are not identical but only similar nor the possibility of refusal or invalidation of registration in the same circumstances (Articles 4(1)(b) and 5(1)(b) of the Directive). In such cases, in which a likelihood of confusion on the part of the public must be established, it is not decisive whether the mark and sign, or the two marks, are themselves identical rather than similar, so that the precise contours of the distinction between identity and similarity will not affect the outcome.

— The Regulation

21. In addition, as mentioned above, the Community Trade Mark Regulation uses, in Articles 8(1)(a) and 9(1)(a), the same criterion as appears in Articles 4(1)(a) and 5(1)(a) of the Directive and in exactly equivalent contexts. However, LTJ Diffusion, having regard to decisions taken by the OHIM, submits that the two sets of provisions should be interpreted differently.

22. It argues essentially, first, that the OHIM cannot be recognised as having

9 — See, for example, with specific regard to the Directive, Case C-355/96 *Silhouette International Schmied* [1998] ECR I-4799, paragraph 36 of the judgment.

authority to bind national courts, second, that in general directives and regulations cannot be interpreted in the same way because they differ in nature and in the circumstances of their application and, third, that a directive whose aim is only partial harmonisation of national laws, allowing scope for differences of approach, cannot be interpreted in the same way as a regulation whose aim is to set up a single, uniform, Community regime.

23. I am unconvinced by those arguments.

24. Whilst I accept that decisions taken by the organs of the OHIM in the context of the Regulation cannot bind national courts as regards the interpretation of the Directive, that does not mean that those decisions must necessarily be disregarded; they may none the less be of persuasive authority where they are consistent with rulings of this Court.

25. Nor do I agree that a directive and a regulation which use the same criteria and the same language in parallel contexts must be interpreted differently simply because they are different in nature. On the contrary, when the Community legislature takes care to express itself in that manner — as it clearly did in the field of trade marks — the presumption is very strong indeed that the two measures are intended to be interpreted in the same way. The fact that they will be applied in different legal and factual circumstances does not detract from that presumption.

26. It is true that the Directive does not seek to standardise all national trade mark rules but merely to approximate those provisions which most directly affect the functioning of the internal market. [10] However, the Court has held that Articles 5 to 7 of the Directive embody a complete harmonisation of the rules relating to the rights conferred by a trade mark and accordingly define the rights of proprietors of trade marks in the Community. [11]

27. Moreover, since registration as a Community trade mark must be refused where it clashes with an earlier national trade mark [12] but, if valid, confers on the proprietor rights which may be relied on through-

10 — See in particular the third recital in the preamble to the Directive.

11 — See, most recently, the judgment of 20 November 2001 in Joined Cases C-414/99 to C-416/99 *Davidoff* and *Levi Strauss* ECR I-8691, paragraph 39.

12 — Article 8(2)(a)(ii) of the Regulation; the converse — that registration as a national mark must be refused if there is a clash with an earlier Community mark — of course follows from Article 4(1) of the Directive.

out the Community against those using identical or similar signs, it is clear that the functioning of the internal market would be severely undermined if the rights conferred in each case were to differ to any significant extent.

28. In principle, therefore, I am of the view that the relevant parallel provisions of the Directive and the Regulation fall to be interpreted in the same way.

— Concluding remarks on scope and context

29. Finally, the national court's question, by its use of the terms 'reproduction', 'omission' and 'addition', might appear to envisage purely a situation in which a counterfeiter specifically seeks to exploit an earlier mark by imitation, manipulation or modification. However, it should be stressed that the protection afforded under the Directive is in no way dependent on such behaviour but applies also where the clash is the fortuitous result of ignorance and complete good faith.

30. The relevant circumstances are therefore those in which a sign and a registered trade mark, or two registered marks, are used in relation to identical goods or services, with the consequence that the proprietor of the (earlier) mark may exercise his rights in accordance with the Directive without having to prove any likelihood of confusion on the part of the public. In those circumstances, what is required to establish that the mark and sign, or the two marks, are identical rather than merely similar?

Meaning of 'identical'

31. The principles seem clear.

32. All the parties submitting observations, with the exception of LTJ Diffusion, have argued for a strict interpretation of the term 'identical' in the context in issue, and I agree. As the Commission in particular points out, it would be very difficult to reconcile a loose interpretation with the dictionary definitions of the word, in whatever language, which stress the exact sameness of the things compared. Perhaps more importantly, only a strict interpretation appears to be consistent with the scheme, history and context of the provisions in issue.

33. Articles 4(1)(a) and 5(1)(a) of the Directive confer unconditional rights on trade-mark proprietors where the relevant elements are all identical; Articles 4(1)(b) and 5(1)(b) confer rights dependent on the existence of a likelihood of confusion where some elements are merely similar. The 10th recital in the preamble makes it clear that trade-mark protection is intended to be absolute in the case of identity but that likelihood of confusion is the specific condition for the protection to apply in the case of similarity. Such absolute, unconditional protection — which, as the Commission points out, leaves little or no discretion to the national courts — should clearly not be extended beyond those situations for which it was intended if the aim of ensuring freedom of trade and undistorted competition in the internal market is to be achieved. [13]

34. As the French Government pointed out at the hearing, absolute, unconditional protection in the case of identity was not envisaged in the original Commission proposal for the Directive. [14] In that proposal, the preamble stated that 'the protection afforded by the trade marks is bound up with the concept of similarity of signs, similarity of goods and services and the possibility of confusion arising therefrom'. The rights conferred on the proprietor under Article 3(1) applied where marks and signs, and goods or services, were identical *or* similar and where there was 'a serious likelihood of confusion' on the part of the public. It was in 1985 that the amended proposal [15] removed the condition of a likelihood of confusion in the case of identity, following, in particular, the Opinion of the Economic and Social Committee [16] which had pointed out: 'A danger of confusion is not required for the use of an *identical* mark to be prohibited... As far as *similar* signs are concerned, it is in the interests of all economic operators to focus on *the likelihood of confusion in the course of trade*....' [17]

35. The Commission and the United Kingdom Government have moreover both referred to Article 16(1) of the 1994 'TRIPs Agreement' (Agreement on Trade-Related Aspects of Intellectual Property Rights), [18] which is binding on the Community and which provides: 'In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed'.

13 — See the first recital in the preamble to the Directive.

14 — OJ 1980 C 351, p. 1.

15 — OJ 1985 C 351, p. 4.

16 — OJ 1981 C 310, p. 22.

17 — Point 4; emphasis in the original.

18 — Set out in Annex 1 C to the Agreement establishing the World Trade Organisation ('the WTO Agreement'), approved on behalf of the Community, as regards matters within its competence, by Council Decision 94/800/EC of 22 December 1994, OJ 1994 L 336, p. 1.

36. Such considerations only confirm a conclusion which seems to be dictated by simple logic.

37. Where rigorously identical signs or marks are used in the course of trade for identical goods or services, it is difficult if not impossible to conceive of circumstances in which all likelihood of confusion could be ruled out. In such cases, it would be both redundant and extravagant to require proof of that likelihood.

38. Where however there is similarity rather than identity, it is reasonable to limit the rights of the trade-mark proprietor to cases where a likelihood of confusion can be established since, in its absence, their assertion would constitute a restriction on freedom of trade and competition lacking any basis in the fundamental trade mark law aim of ensuring that a particular mark unambiguously identifies a particular provenance. [19]

39. Thus I take the view that the protection afforded to trade-mark proprietors under the relevant provisions is predicated essentially on the existence of a likelihood of confusion, proof of which is superfluous where both the marks (or the mark and sign) and the products covered are not merely similar but identical. Articles 4(1)(a) and 5(1)(a) of the Directive are intended to apply only in such cases, since likelihood of confusion can be presumed without further investigation.

40. But that does not yet indicate where the boundary between similarity and identity is to be drawn.

41. Clearly, absolute identity in every detail is covered by Articles 4(1)(a) and 5(1)(a). And in principle, any difference, whether it might be viewed as adding, removing or modifying any element, must involve loss of identity.

42. Yet it has been rightly stressed in the observations to the Court that there may be slight differences between trade marks so that the two are not rigorously identical with, but none the less remain difficult to distinguish from, each other.

19 — For a rather fuller statement of that aim see, for example, Case C-10/89 *HAG GF* (*'HAG II'*) [1990] ECR I-3711, paragraphs 13 and 14 of the judgment.

43. I agree that the concept of identity, although to be construed strictly, should take account of the fact that the likelihood of confusion does not diminish, and may thus safely be presumed to exist, unless the differences between two marks, or between a mark and a sign, are noticeable.

44. How then is this to be put into practice? How is it possible to define the boundary between what is minimal or insignificant and what is noticeable or significant? SADAS has adduced a number of decisions of French courts in which that boundary seems to have been stretched unacceptably; to cite but one instance, it appears that 'belle à craquer' has been held to infringe the mark 'elle', on the ground that it reproduced the latter in its entirety. [20]

45. However, citing a number of English and Scottish examples to illustrate its point, the United Kingdom has warned the Court against giving a ruling in the present case which might have unforeseen implications in different factual circumstances. It has referred in general to the difficulty of laying down in advance a detailed rule which will always draw the appropriate distinction between the significant and the insignificant, and in particular to the possible use of blatantly imitative designations such as 'Imitation X' ('X' being a protected mark). In such cases, proof of likelihood of confusion may be more problematical — a point addressed in the French legislation but not at issue in the present proceedings. [21] It therefore advocates the adoption of a general approach which will enable the national court to decide the present case correctly but should not prejudge other, different cases and may be open to further refinement. At the hearing, the Commission took a broadly similar approach.

46. Taking account of all those points, I am of the view that the Court should follow with regard to identity the path traced with regard to similarity in particular by its case-law in *SABEL* [22] and *Lloyd*, [23] concentrating on the need for a global assess-

20 — Although from what the French Government said at the hearing, that line of case-law appears to have been superseded by a tendency towards a stricter interpretation of the concept of identity.

21 — I have touched on it, in somewhat different circumstances, in paragraph 56 of my Opinion of 20 September 2001 in Case C-2/00 *Hölterhoff*, referring there to the final phrase of Article 6(1) of the Directive and to Article 3a(1)(h) of Council Directive 84/450/EEC of 10 September 1984 relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising, OJ 1984 L 250, p. 17, as amended by Directive 97/55/EC of the European Parliament and of the Council of 6 October 1997 amending Directive 84/450/EEC concerning misleading advertising so as to include comparative advertising, OJ 1997 L 290, p. 18.

22 — Case C-251/95 *SABEL* [1997] ECR I-6191, paragraphs 22 and 23 of the judgment.

23 — Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 18, 25 and 26 of the judgment.

ment of the visual, aural (even, in view of possible new types of trade mark such as scent marks, sensory or organoleptic in the broad sense) or conceptual features of the marks or signs in question and the overall impression created by them, in particular by their distinctive and dominant components, in the perception of the average consumer, such a consumer being assumed to be reasonably well-informed, observant and circumspect, although often having to rely on an imperfect picture of a mark which he has kept in his mind. That does not mean that the concept of identity may be watered down but that it must be assessed on that basis.

47. Thus a mark and a sign, or two marks, will always be identical where in the light of such an assessment any differences are minute and wholly insignificant, so that the average consumer would not find any noticeable difference between the two; otherwise, they can be regarded as no more than similar.

48. It is not necessary or appropriate in the context of the present case to express a definitive view on the treatment in that regard of a sign such as 'Imitation X', in which the element 'X' taken alone may be identical to an earlier mark but 'Imitation X' is not. In such cases, as I have said, it might be difficult to establish a likelihood of confusion on the part of the public, given the bold denial of identity with 'X'. Article 5(1)(b) of the Directive might thus not apply and, if those cases were also beyond the reach of Article 5(1)(a), it would seem difficult to prevent what seems a blatant abuse. However, it may well be that the average consumer would perceive a designation such as 'Imitation X' not as a self-contained sign but as the mark 'X' accompanied by an extraneous element.

49. The national court should therefore first identify what it is that is perceived by the average, reasonably well-informed, observant and circumspect consumer as the relevant marks, or the relevant mark and sign, then perform the global assessment described above in order to determine whether the two are likely to be perceived as the same or merely similar. In the former case, the trade mark proprietor's rights will be automatically enforceable whereas, in the latter, it will be necessary to investigate further whether there is a likelihood of confusion.

50. It is not for this Court to apply that approach to the facts of the case in the main proceedings, since the assessment in question may require specific familiarity with national circumstances. However, I suggest that the reproduction of LTJ Diffusion's trade mark 'Arthur' in the same distinctive script but without the dot under the initial 'A' might well have been perceived by the average consumer as identical to the original (the change being minute and wholly insignificant), whereas the use of a noticeably different script and/or the addition of another name might be seen as only similar (such changes, at least taken together, being substantial).

51. That approach — which appears also to be broadly favoured by all those submitting observations in the present case, with the exception of LTJ Diffusion — is not unduly restrictive of the trade-mark proprietor's rights. Even where the relationship between marks, or between mark and sign, falls short of that relatively strict definition of identity, it will always be open to him to assert his rights by establishing a likelihood of confusion. And if no such likelihood exists, there will normally be no rational basis for allowing him to prevent the registration or use of the contested sign. [24]

52. In that context, I am not swayed by LTJ Diffusion's arguments to the effect that its preferred, broader interpretation would afford smaller undertakings greater protection against the 'imperialism' of larger corporations. On the contrary, it might be expected that the possibility of absolute, unconditional protection extending beyond the strictly identical would be ruthlessly exploited, primarily by those undertakings having the greatest economic power. In that connection, as I recalled in my Opinion in *Procter & Gamble*, [25] an English judge once pointed out that 'wealthy traders are habitually eager to enclose part of the great common of the English language and to exclude the general public of the present day and of the future from access to the enclosure'. [26]

24 — Even then, greater protection may be available, under Article 4(4)(a) or 5(2) of the Directive, for marks having a reputation in the Member State concerned.

25 — Paragraph 77 of the Opinion of 5 April 2001 in Case C-383/99 P, in which judgment was delivered on 20 September 2001.

26 — *'Perfection': Joseph Crosfield & Sons' Application* (1909) 26 RPC 837 at 854, Court of Appeal, per Cozens-Hardy, Master of the Rolls.

Conclusion

53. In the light of the above considerations, I am of the opinion that the Court should give the following answer to the Tribunal de Grande Instance, Paris:

The concept of identity between mark and sign in Article 5(1)(a) of Council Directive 89/104/EEC covers identical reproduction without any addition, omission or modification other than those which are either minute or wholly insignificant.

In reaching its decision in such cases, the national court must first identify what is perceived by the average, reasonably well-informed, observant and circumspect consumer as the relevant mark and sign, then assess globally the visual, aural and other sensory or conceptual features of the mark and sign in question and the overall impression created by them, in particular by their distinctive and dominant components, in order to determine whether the two would be perceived by such a consumer as the same in the sense that any differences are minute or wholly insignificant, or whether the two would be perceived rather as similar in the sense that the differences are greater than that.