



Crowded field argument in the opposition proceedings in EU

Alexi Sillanpää

Department of Accounting and Commercial Law

Hanken School of Economics

Helsinki

2024

HANKEN SCHOOL OF ECONOMICS

Department of: Accounting and Commercial Law	Type of work: Master's Thesis
Author: Aleksi Sillanpää	Date: 2024
Title of thesis: Crowded field argument in the opposition proceedings in EU	
Abstract: <p>This paper investigates what are crowded fields in trademark universe, how are they formed and whether there are other more familiar or more established elements that incorporate similar characteristics. Moreover, the paper examines if there exists a crowded field argument within trademark opposition proceedings in EU and does it influence the likelihood of confusion analysis either by denying or supporting the finding of likelihood of confusion. Finally, investigation in terms of normative lens is deployed to answer if there should be economic justification for crowded field arguments through consumer search cost theory. To answer the research questions, a doctrinal analysis, case law analysis and search cost theory were utilized. Scholarly literature, case law, and other information has been determined considering the methodology.</p> <p>It was established that crowded field as a phenomenon means a certain field or a class which incorporates many similar marks in connection to similar goods or services. It results that the economical operators seek to apply for the only remaining spaces there are left in a way that the certain class of goods or services starts to reflect the characteristics of a crowded field. It was demonstrated that crowded fields exist in EU.</p> <p>Trademarks within a crowded field have characteristics similar to or even identical to congested field, descriptive, weak and suggestive marks. The crowded field as an argument has not been evidently successful in EU by way of denying or supporting finding of likelihood of confusion within the opposition proceedings. Instead, the analysis indicates that the opposition proceedings in EU do follow the principal rule of the relative ground for refusal where a trademark shall not be registered if it is confusingly similar with an earlier mark and their goods or services. Third-party registrations or other characteristics of crowded field have not yet been decisive in the opposition proceedings. However, there are certain requirements according to which a crowded field argument may be used to deny confusion if low distinctive character can be demonstrated in connection with third-party marks, but it alone has not been considered a decisive factor so far.</p> <p>The thesis concluded that search cost theory alone as an economic rationale should not be a decisive theory to address the economic justification of crowded field argument. It should be complemented with balancing exercise that considers the benefits and welfare of consumers gained through other factors as well.</p>	
Keywords: Trademark, crowded field, likelihood of confusion, European Union	

CONTENTS

1	INTRODUCTION	2
1.1.	Research question.....	5
1.2.	Previous research.....	9
1.3.	Methods and methodology	12
1.4.	Limitations.....	15
2	LIKELIHOOD OF CONFUSION ASSESSMENT IN OPPOSITION PROCEEDINGS	16
2.1.	The meaning of confusion	20
2.2.	Similarity of marks	23
2.2.1.	<i>Assessing the visual similarity of the signs</i>	27
2.2.2.	<i>Assessing the aural similarity of the signs</i>	31
2.2.3.	<i>Assessing the conceptual similarity of the signs</i>	34
2.3.	Similarity of goods and services	35
2.4.	Relevant Public	39
2.5.	Distinctiveness of the mark / Strength of the mark	44
3	CONGESTION OF MARKS / CROWDED FIELD	50
3.1.	Concept and background.....	50
3.2.	Examples of crowded field in the US case law.....	53
3.3.	Possible reflections and reasons for the phenomenon.....	58
3.4.	Other related elements in the trademark law in connection to the crowded field argument	66
3.5.	Evaluating the potential utilisation of crowded field argument in the EU opposition proceedings.....	72
4	ECONOMIC RATIONALE FOR CROWDED FIELD ARGUMENT AND SIMILAR ELEMENTS.....	79
4.1.	The function of economic analysis	79
4.2.	Search Cost Theory	81
4.2.1.	<i>Information relation and competition in the search cost theory</i>	84
4.2.2.	<i>Search costs vs. decision-making</i>	87
4.2.3.	<i>Other criticism over search cost theory</i>	88
4.3.	Search costs in connection with crowded field marks.....	90
5	CONCLUSIONS	92

6 BIBLIOGRAPHY 97

FIGURES

Figure 1 Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA Application No.
77/823,794..... 54

Figure 2 New Millenium Application No. 1,856,808 54

ABBREVIATIONS

AG	Advocate General
CJEU	Court of Justice of the European Union
CTMR	Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark [2009] OJ L 78
EU	European Union
EUIPO	European Intellectual Property Office
EUTM	European Union Trade Mark (Previously Community Trade Mark "CTM")
EUTMD	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 trade marks
EUTMR	Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark
GC	General Court of the European Union
TTAB	Trademark Trial and Appeal Board
US	United States
USPTO	United States Patent and Trademark Office

1 INTRODUCTION

A trademark is a term, sign, symbol or other means of identification that differentiates goods and services of one company from the goods and services of others.¹ A sign may acquire trademark protection as a European Union Trademark (EUTM) through registration which is subject to prior examination. European Union Intellectual Property Office (EUIPO) handles EUTM registration proceeding which may also include an opposition proceeding.² If a mark does not possess the characteristics which correlate to absolute ground for refusal according to Article 7 of European Trademark Regulation, it may be eligible for registration.³ However, upon an opposition by an owner of a prior mark, it may still be subject to refusal of registration in case the mark applied for is subject to relative grounds for refusal. Most importantly, the relative grounds for refusal consider whether the mark applied for is identical to or similar with an earlier mark in respect of their signs or the goods or services.⁴ This paper will mainly focus on the registration of EUTMs, in particular on the opposition proceedings during which the likelihood of confusion in relation to similar marks and similar goods or services is assessed.

The topic of the thesis is also strongly linked to an alleged global challenge according to which we are slowly running out of trademarks. In other words, that there are fewer and fewer available trademarks for potential proprietors to adopt. Interestingly, the conventional assumption behind trademarks, which has been somewhat uncontested, suggests that there is an infinite number of available trademarks for companies to choose their trademarks from.⁵ Mathematically considering, there exists almost an infinite number of different combinations of, *inter alia*, letters, numbers, colours or shapes for companies to choose their trademarks from. While the tautological assumption of endless possibilities without a doubt stands, it has been addressed that the functionality of trademark dimension's infiniteness in terms of competitiveness of available marks is not as sound as it may seem.

¹ William M. Landes and Richard A. Posner, Trademark Law: An Economic Perspective, *Journal of Law and Economics*, Vol. 30, No. 2. [online] [1987] 268. Available at: <https://www.jstor.org/stable/725498> [Accessed on 19 May 2024]

² Annette Kur, Thomas Dreier, and Stefan Luginbuehl, *European Intellectual Property Law: Text, Cases and Materials*, Second Edition, Edward Elgar Publishing Limited, [online] [2019] 190. Available at: ProQuest Ebook Central, <https://ebookcentral.proquest.com/lib/hanken-ebooks/detail.action?docID=6005289> 182. [Accessed on 19 May 2024]

³³ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark ("EUTMR"). Art 7.

⁴ EUTMR Art. 8.

⁵ See e.g., William M. Landes and Richard A. Posner, *Trademark Law: An Economic Perspective* [1987] 274.

The assumed infiniteness was argued to be false in terms of competitively effective trademarks by Barton Beebe and Jeanne C. Fromer in 2018.⁶ They conducted an empirical study, during which they discovered that short, common wordmarks are becoming depleted and congested while resulting them to ask in their article, radically phrased, whether we are running out of trademarks. To be precise, they do not argue with the fact that there is inexhaustible supply of unclaimed potential trademarks, but they rather argue that the unclaimed marks that are at least reasonably competitively effective are exhaustible. They address the issue also in terms of trademark depletion and congestion which are altogether seen as effects of the same realm. Trademark depletion meaning that there are fewer potential trademarks that are not yet claimed by anyone and congestion meaning that there are ever-growing number of similar marks held by multiple different owners.⁷

Congestion of trademarks arguably leads to even more similar marks in the universe of trademarks⁸, and it could also be assumed that when there are multiple similar marks within a field, it might result in a lower distinctive character of trademarks in such a ‘crowded field’/ ‘congested field’. The lowering distinctiveness could in turn lead to more unlikely finding of likelihood of confusion of trademarks. This paper tries to establish what is perceived as a crowded field of trademarks and how does it form. Crowded field is defined as a field of trademarks, such as a particular class that is crowded with similar types of signs which are registered for similar goods and services, and all of those marks are held by different owners. It must be highlighted that two similar marks merely existing within the same Nice classification does not necessarily amount to confusion even when the goods or services are similar. This also means that Nice classification is considered relatively broad. Nevertheless, since there is no established definition, the paper will assume that "field" corresponds to a Nice classification as Beebe and Fromer have determined.

This paper also argues that the formation of crowded field of trademarks is to some extent an outcome of trademark congestion and tightly linked to that concept. There will also be a brief

⁶ Barton Beebe and Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion* [2018] 947.

⁷ Barton Beebe and Jeanne C. Fromer, The problems of trademark depletion and congestion: some possible reforms, in *Research Handbook on Trademark Law Reform 17* (Graeme B. Dinwoodie and Mark D. Janis, eds., Edward Elgar Publishing) [online] [2021] 17. Available at: https://books.google.fi/books?id=9sIpEAAAQBAJ&pg=PA17&lpg=PA17&dq=%22barton+beebe%22+%22the+problems+of+trademark+depletion%22&source=bl&ots=zEUOroxqHM&sig=ACfU3UoDSO-EoFv-foWoDinK-bNEZZT5FA&hl=en&sa=X&ved=2ahUKEwi9ypX4gP_1AhXl-ioKHchGDXQQ6AF6BAGMEAM#v=onepage&q=%22barton%20beebe%22%20%22the%20problems%20of%20trademark%20depletion%22&f=false

⁸ Beebe and Fromer.

examination of other reflections of congestion and possible variations of crowded field as a phenomenon and an argument, such as descriptiveness and suggestiveness in trademarks and how they correlate in respect of each other. While crowded field may be addressed as a phenomenon incorporating many similar marks within a class of goods or services, it may also be understood as a legal norm or an argument that might have an effect on the outcome of likelihood of confusion assessment.

The term, 'crowded field' and its utilization as an argument in trademark proceedings originates from the United States, where the problem of crowdedness has been observed first through empirical evidence. However, the issue of crowding of trademarks has not yet received a great attention in the US trademark law, let alone in EU trademark law. The same applies to crowded field as an argument, which has also not received much attention in the trademark law practice and research in European Union. Thus, this paper will make some reference to the US legislation as well as the case law of the registration office (USPTO) and the courts, because of the advances the US law and scholarship have made on this particular aspect ahead of EU. Despite the reference, the analysis will mainly focus on the EU framework.

One of the main focus points of the research is the question of whether the existence of crowded field can be used as an argument in the opposition proceedings in European Union to either deny or support likelihood of confusion. With regard to the answer to the main research question appearing in favour of either denying or supporting likelihood of confusion or something in between, there will also be an analysis of economic rationale for having such an argument in European trademark law. Consumer search cost theory will be used as an economic rationale for further examining the argument and its merits on normative grounds. Principally, consumer search cost theory supports that consumer search costs increase by having many similar marks on the market.⁹ However, some scholars have provided alternatives for the principal presumption of search cost theory.¹⁰ In order to get a better

⁹ Mark P. McKenna, A Consumer Decision-Making Theory of Trademark Law, *Virginia Law Review* [online] [2012] 73–77. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]. See also Mark D. Janis and Graeme B. Dinwoodie, Confusion Over Use: Contextualism in Trademark Law, *Articles by Maurer Faculty* 361, [online] [2007] 1630. Available at: <https://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=1361&context=facpub> [Accessed on 19 May 2024]

¹⁰ Stacey L. Dogan and Mark A. Lemley, Trademarks and Consumer Search Costs on the Internet, *Stanford Law and Economics Olin Working Paper*, 294 [online] [2004] 38. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=560725 [Accessed on 19 May 2024]. See also William M. Landes and Richard A. Posner, Trademark Law: An Economic Perspective. *The Journal of Law and Economics*, 30(2), [online] [1987] 276. Available at: <https://www.jstor.org/stable/725498> [Accessed on 19 May 2024]

understanding of the situation of whether the crowded field can be used as an argument to deny or support finding of likelihood of confusion in opposition proceedings in the European Union, it must first be established, how the likelihood of confusion assessment according to EU legislation, case law and the relevant scholarly literature is described and applied.

First, the research establishes foundation for the likelihood confusion assessment in the opposition proceedings by analysing legislation, case law and scholarly literature to set out the legal landscape of the topic. Following, the study attempts to distinguish what congestion, depletion and crowded field mean and what kind of elements define ‘crowded field’ as a phenomenon and an argument. Further, the advances of US case law and scholarly literature in terms of crowded field are demonstrated to ascertain relevant elements in connection with crowded field argument and how such a field may be formed. Since crowded field as both a phenomenon and an argument are relatively new in trademark law, it is analysed how it relates to few already more established elements found in the trademark law. Next, the paper attempts to highlight the current state of the crowded field argument in the EU. Moreover, research is focused on finding cases in which crowded field (or equivalent) has been used as an argument, if it was decisive as a denying or supporting factor, and finally what kind of requirements or conditions are there for such an argument in the opposition proceedings. At the end, this paper introduces the consumer search cost theory as an economic rationale to evaluate the justifiability of the crowded field argument in its economic merits.

1.1. Research question

This research attempts to answer question of what is perceived as a crowded field of trademarks and how does it form. In order to do that, it must be assessed what kind of elements comprise a crowded field of trademarks and what kind of characteristics and origin does it have. Since the concept of crowded field is relatively new within the trademark law, reference will be drawn from other more established or familiar concepts within the trademark law such as descriptiveness or strength of a mark. It may be argued that congestion and depletion have something in common with the crowded field phenomenon which is why those elements will be reviewed in connection to this study. A sub-question that consequently arises is what other similar elements or concepts are there already in trademark law.

Moreover, the research question indirectly addresses a potential problem in trademark law which is the risk of congestion and depletion of trademarks. This dilemma might in the future raise significant impact in the court and registration proceedings in relation to the interpretation of likelihood of confusion within a crowded/congested field. Therefore, research questions are specifically formulated to provide insight on a potential issue crowding of trademarks. In essence, this thesis is motivated by both the practical and the academic basis,

seeking to contribute to a deeper understanding of trademark law in terms of practice and theory.

An integral goal is to gather information and analyse how likelihood of confusion assessment is applied in the case law in order to provide a more practical overview of how the law is applied according to court cases, registration proceedings and in opposition proceedings. One of the core research questions is that can the crowded field argument be used as an argument to either deny or support finding of likelihood of confusion in opposition proceedings in European Union and how? As an assumption, the likelihood of confusion can be more likely established when there are similar marks with similar goods or services. However, if the crowded field as an argument has an opposite/denying effect on the assessment, it might have a significant impact on the trademark law as an exception. Because the US case law has occasionally experienced crowded field argument as a factor that has denied the finding of likelihood of confusion, the key points of the application of likelihood of confusion assessment in terms of crowded field argument in the US will be used as a background information in order to discover the relevant factors of the assessment. The factors will be carried over to the context of EU and the EU legislation in connection with the case law and EUIPO practices. The elements found in the US trademark law might facilitate finding important elements in the EU as well, since the legal frameworks have some similarities. Finally, the research tries to ascertain if there currently exists situations where the argument has been used to deny or support finding of likelihood of confusion in opposition proceedings in EU. The function of the question of "and how?" in the research question directs the thesis to examine what are the limitations, conditions or thresholds of such an argument and what are the ground rules if there are any.

Since the research questions are interconnected, the question of crowded field argument denying or supporting finding of likelihood of confusion also has implications that result from the crowded field as a phenomenon. Consequently, the crowded field as a phenomenon might have correlation with the congestion and depletion of the trademark universe.¹¹ Because of that, it is important to examine how the congestion and depletion of the trademarks is formed.

¹¹ Barton Beebe and Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion* [2018] 1024–1025. Here, Beebe and Fromer note that crowded field phenomenon generates more depletion and congestion. Also see, Barton Beebe and Jeanne C. Fromer, *The Future of Trademark in a Global Multilingual Economy: Evidence and Lessons from the European Union*, International Trademark Association, *The Trademark Reporter* vol 112, 6 [online] [2022] 906. Available at: https://www.inta.org/wp-content/uploads/public-files/resources/the-trademark-reporter/TMR-Vol-112-No-06_Beebe-Fromer.pdf [Accessed on 19 May 2024] where the authors even used the crowded field as a parallel to congestion and depletion.

In addition, it is also linked to the, at least alleged, shrinking of the trademark universe¹², which essentially serves as merely a catalyst for this research and not as a research question or an aim of the research. The reason for such choice is to limit the scope of the research while keeping in mind the potential correlation with the congestion and depletion with the main research questions due to the potential origin of the crowded field phenomenon.

Further, the thesis examines the trademark law through a normative lens, focusing on the economic rationale behind crowded field phenomenon and the argument. A normative perspective is connected to the positivistic or even descriptive analysis of the previous research questions and continues the implications found.¹³ Therefore, it is asked should there be economic justification for crowded field arguments through consumer search cost theory. To answer this sub-question, the paper establishes what the core functionality of trademark is and how trademarks have been justified. Traditionally, trademark law has been justified by the benefits of the consumers.¹⁴ The economic benefits of consumers can be varied, but one particular theory is often emphasised in the scholarly literature in connection with the consumer benefits, the consumer search cost theory.¹⁵ This theory will be analysed in depth in order to answer whether there should be economic justification for crowded field through consumer search cost theory. In addition, the paper attempts to verify if economic justification

¹² Barton Beebe and Jeanne C. Fromer, Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion [2018] 950–951.

¹³ Sanne Taekema, Theoretical and Normative Frameworks for Legal Research: Putting Theory in Practice, Law and Method [online] [2018] Available at: <https://www.lawandmethod.nl/tijdschrift/lawandmethod/2018/02/lawandmethod-D-17-00010/fullscreen> [Accessed on 19 May 2024]

¹⁴ In *Ty Inc. v. Perryman*, 306 F.3d 509, 510 (7th Cir.) [2002]. Judge Posner highlighted the purpose of trademark: *"The fundamental purpose of a trademark is to reduce consumer search costs by providing a concise and unequivocal identifier of the particular source of particular goods. The consumer who knows at a glance whose brand he is being asked to buy knows whom to hold responsible if the brand disappoints and whose product to buy in the future if the brand pleases. This in turn gives producers an incentive to maintain high and uniform quality, since otherwise the investment in their trademark may be lost as customers turn away in disappointment from the brand. A successful brand, however, creates an incentive in unsuccessful competitors to pass off their inferior brand as the successful brand by adopting a confusingly similar trademark, in effect appropriating the goodwill created by the producer of the successful brand. The traditional and still central concern of trademark law is to provide remedies against this practice."* See also, Nicholas S. Economides, The Economics of Trademarks, Trademark Rep. 523, [online] [1988] 525–526. Available at: http://neconomides.stern.nyu.edu/networks/Economides_Economics_of_Trademarks.pdf [Accessed on 19 May 2024] as well as Mark P. McKenna, A Consumer Decision-Making Theory of Trademark Law, Virginia Law Review [online] [2012] 73–77. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]

¹⁵ *Ibid.*

through consumer search cost theory should be enough or desirable in terms of existence of crowded field argument or are there other factors at play.

Further, this includes an analysis of the consumer search cost theory which is selected as a normative framework parallel to legal justifications. Search cost theory, alongside the fundamental justifications for trademarks, shares the common objective of protecting consumer interests and ensuring efficient market functioning through the use of trademarks.¹⁶ Consumer search cost theory is chosen as an economic theory in order to establish whether crowded fields of trademarks increase or decrease consumer search costs, i.e. that does the crowded field promote the fundamental interests of the trademark law that aim to protect consumers. The economic analysis provides useful justification to evaluate the crowded field argument no matter what the outcome of the previous research question (whether crowded field as an argument can be used in the opposition proceedings in EU to deny or support finding of likelihood of confusion) is. In addition, congestion, depletion and even crowded field might have similar implications on consumer search costs and the interests of the consumers overall, which is why consumer search cost is suitable for this research. The economic justifications can also provide useful insight in terms of propositions for reform in terms of legislation or court's interpretations in EU.

Finally, this project and its research questions are also motivated by the fact that the status of the crowded field as a phenomenon is quite unclear currently, although there are some reports that indicate there are too many registered trademarks.¹⁷ Moreover, there is scarcely any studies on whether it is possible to use the argument of crowded field to favour a trademark registration in case of opposition in Europe. Instead, there is a principal rule within the EU legislation which denies registration of marks that are confusingly similar to another mark, so there are definitely some indication that the crowded field as an argument might be supporting finding of likelihood of confusion in the opposition proceedings¹⁸. Furthermore, the aspect of

¹⁶ Mark P. McKenna, A Consumer Decision-Making Theory of Trademark Law, *Virginia Law Review* [online] [2012] 73–77. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]

¹⁷ For example, Beebe and Fromer have analysed in their empirical research that there exists congestion of trademarks which in this paper is used mostly in synonym to crowded field. In addition, UK IPO had commissioned a report made by Georg von Graevenitz, Richard Ashmead, Christine Greenhalgh in 2015 titled *Cluttering and Non-Use of Trade Marks in Europe*, which researched trademark cluttering and its relation to non-use. Cluttered trademark registers have been interpreted as registers that include high number of unused or excessively broad trademarks. IPO, *Cluttering and Non-Use of Trade Marks in Europe*, Intellectual Property Office Research Paper [2015] [online]. Available: <http://dx.doi.org/10.2139/ssrn.4095957> [Accessed on 19 May 2024]

¹⁸ EUTMR, Art. 8(1)(b)

crowded field in scholarly literature is fairly niche, and it has not found a solid foothold, at least in the European Union setting. This observation suggests that there exists an unoccupied territory for further research and questions that should be asked and answered. To understand both the phenomenon of the crowded field and its application as an argument, this research examines relevant legislation, case law and scholarly literature in attempt to shed light on crowded field that has not, at least yet, gained too much attention.

1.2. Previous research

The question of trademark congestion is related to the concept of finiteness of available signs. There exists some previous research on the overall topic of trademarks and the argued infiniteness or finiteness of trademark dimension. The founding assumption of trademarks being infinite seems to be at least from the 1980s¹⁹, but it seems that there have been only few arguments against it before the empirical study of Beebe and Fromer²⁰. In addition, the link between contradicting aspects of infiniteness, its relation to congestion and its relation to crowded field argument is rather hypothetical and has not been studied much (or at all). However, this research is predicated upon the premise that such theory holds that the trademarks dimension is shrinking, and we are running out of competitively effective trademarks which is one aspect that is closely linked to congestion of marks²¹. Scholarly literature on the correlation of crowded field or congestion or weakly distinctive trademarks and their implications on assessment on likelihood of confusion is rare and has not received too much attention. Beebe and Fromer address the similarity of crowded field and congestion, but do not specifically address the matter in terms of the implications on assessment on likelihood of confusion. Sources indicating that sort of implication consist mostly out of scarce cases of administrative trademark registration proceedings and court proceedings, especially in the US. Therefore, need for more precisely targeted research on this area was detected.

The doctrinal analysis of the legal framework has plenty of previous research that relates to the fundamentals of trademarks, its functions, objectives and also likelihood of confusion assessment, which is ultimately the most important aspect of the doctrinal analysis of the thesis. Since the likelihood of confusion assessment examines the similarity of marks and goods or services, there is an intuitive assumption that crowded field trademarks (principally

¹⁹ William M. Landes and Richard A. Posner, *Trademark Law: An Economic Perspective*. *The Journal of Law and Economics*, 30(2), [online] [1987] 274. Available at: <https://www.jstor.org/stable/725498> [Accessed on 19 May 2024]

²⁰ Barton Beebe and Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion* [2018]

²¹ *Ibid.* 948.

many similar marks with similar goods or services within a certain field or a class) might cause confusion in relation to the sources of goods or services provided by the corresponding marks. Therefore, it is important to analyse the doctrine of likelihood of confusion in order to understand the effect of likelihood of confusion assessment on crowded field marks. The previous research on the elements of likelihood of confusion assessment is relatively well established and provided much of the useful sources and data required for a comprehensive study and to finding answers to the research questions. Perhaps the most important previous research concerning the likelihood of confusion analysis in the European context, has been conducted by Fhima and Gangjee²². They dissected the assessment to its core elements and described how the elements are applied in the EU law context.

In relation to crowded field and congestion, previous research commissioned by UK Intellectual Property Office conducted by Georg von Graevitz et al. have addressed the similar dilemma of trademark ‘cluttering’. Essentially, cluttered trademark registers have been interpreted as registers that include high number of unused or excessively broad trademarks. In comparison with the crowded field and congestion, the concept of trademark cluttering is an additional refined aspect within the same domain. It can be inferred that these concepts have some parallel implications and possible origins that relate to the trademark register and registration proceedings in general. Similarly to the crowded field and congestion concepts, cluttering also increases the costs of adopting and applying for a new trademark by future applicants.²³ In addition, the cluttering effect may generate further layers of cluttering that contribute to the growth of the number of unused and excessively broad trademarks.²⁴

There are many scholars that have conducted research on the economics of trademarks and also economics of intellectual property in general. Perhaps the most noteworthy economic research regarding the thesis topic has been conducted by William M. Landes and Richard A.

²² For example, Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019].

²³ Philip Johnson, *Should the Use of a Trader Mark Come at a Higher Price?*, IIC 53, 1003–1006 [online] [2022] 1004. Available at: https://link.springer.com/epdf/10.1007/s40319-022-01208-4?sharing_token=Xc1WckoGP34BdsHYUmU-j_e4RwlQNchNByi7wbcMAY49EvB5vcPhKtEHVdbfWoo1cfQYrh9sFV15iAXPv1OWvGaVRV8P956E_-hykMeTrS61SE-vkc5ovu9RHhC_i4bZ8OWgVkmncwUIWQRe5DpmE3nEd1yQP4EZ9AeHkj_RBQ%3D [Accessed on 19 May 2024]

²⁴ IPO, *Cluttering and Non-Use of Trade Marks in Europe*, Intellectual Property Office Research Paper [2015] [online]. Available at: <http://dx.doi.org/10.2139/ssrn.4095957> [Accessed on 19 May 2024] as well as Georg von Graevnitz, and Christine A. Greenhalgh, and Christian Helmers, and Philipp Schautschick, *Trade Mark Cluttering: An Exploratory Report*, Intellectual Property Office Research Paper No. 2012/11 [2015] [online] Available at: <http://dx.doi.org/10.2139/ssrn.2710618> [Accessed on 19 May 2024]

Posner in terms of the economics of the intellectual property but also in terms of trademark law specifically. They, for example, argued for the infiniteness of the trademarks²⁵, highlighted the economic efficiency generated through trademarks and how trademarks reduce costs of time to the consumers when searching for a good or service that the consumer wants²⁶. In terms of costs of consumers and proprietors of marks, they stated that the value generated to the owner of a mark is equal to the saving in search costs by the consumer which originates from the information that the mark conveys about its quality²⁷. While crowded field marks may potentially be addressed as weak marks, Landes and Posner noted that descriptive marks (indicating mark weakness) may describe some properties of the brand, implying that the information provided through the mark also lowers search costs for the consumers²⁸.

The search cost theory, which will be mainly utilized in terms of finding rationales for having (or not having) crowded field argument in the trademark law, is also a well-established theory in law and economics. Most noteworthy scholars who have studied search cost theory are perhaps Landes & Posner, but also e.g., Stacey L. Dogan, Mark A. Lemley, Mark D. Janis and Graeme B. Dinwoodie as well as Mark P. McKenna. McKenna, for example, challenged the position of Landes and Posner on their argument on the value generated to the owner of a mark being equal to the saving in search costs for the consumers. He stated that it would basically mean that the extra charge of a brand can be signed off by the information cost of the trademark, depending on if the cost is lower than the search cost of investigating a replacing generic product. He highlights how according to the search cost theory the consumer protection is of the essence and proprietary benefits are only consequential or even coincidental. However, according to McKenna, the search cost theory is actually better suited to benefit the rights of the proprietors and not consumers.²⁹

Janis and Dinwoodie have demanded for more caution regarding claims such as more information is always better in connection to trademark law discussion.³⁰ Instead, they state

²⁵ William M. Landes and Richard A. Posner, Trademark Law: An Economic Perspective. *The Journal of Law and Economics*, 30(2), [online] [1987] 274. Available at: <https://www.jstor.org/stable/725498> [Accessed on 19 May 2024]

²⁶ *Ibid.* 275.

²⁷ *Ibid.* 270.

²⁸ *Ibid.* 276.

²⁹ Mark P. McKenna, A Consumer Decision-Making Theory of Trademark Law, *Virginia Law Review* [online] [2012] 77. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]

³⁰ Mark D. Janis and Graeme B. Dinwoodie, Confusion Over Use: Contextualism in Trademark Law, *Articles by Maurer Faculty* 361, [online] [2007] 1630. Available at:

that all the information available, at least in the Internet context, can overload the consumers which increases their search costs.³¹ On the other hand, there are some scholars that agree that information reduces consumer search costs. Dogan and Lemley discussed that one should not assume that consumers only want information on a particular product when they are searching for a certain trademark.³² Often it is beneficial for the consumers to have more information so that they can economize the best goods or services for their needs. Dogan and Lemley also argue that comparative advertising and therefore more information is justified by the search cost theory.³³

1.3. Methods and methodology

For the purposes of the thesis, the research is conducted by utilizing legal doctrinal research method, which is somewhat inherent or even unavoidable in terms of legal research overall. The thesis tries to describe the law of trademarks, more precisely the doctrine of likelihood of confusion in EU registration proceedings and particularly opposition proceedings.

The relevant trademark legislation in EU will be evaluated and reference will be drawn from the US. Some EUIPO cases that proceed to opposition proceedings (and further) will be utilized in order to demonstrate crowded fields and similar elements. In addition, cases from the USPTO will be noted for the reference of relevant factors which are taken into consideration in respect of crowded field arguments. Moreover, the appealing bodies of both EU and the US will provide further, perhaps more profound evidence in support of the research questions. Since one of the aims of the research is to ascertain the current legal state of crowded field and evaluate it in terms of likelihood of confusion doctrine, the legal doctrinal analysis describes the current law (*lex lata*) adequately and provides legal positivistic perspective for the research. The thesis needs to systematise the framework using the toolbox provided by legislation, case law and legal scholarly literature in order to successfully describe

<https://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=1361&context=facpub> [Accessed on 19 May 2024]

³¹ Ibid 1631.

³² Stacey L. Dogan and Mark A. Lemley, Trademarks and Consumer Search Costs on the Internet, Stanford Law and Economics Olin Working Paper, 294 [online] [2004] 38. Available at:

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=560725 [Accessed on 19 May 2024]

³³ Stacey L. Dogan and Mark A. Lemley, A Search-Costs Theory of Limiting Doctrines in Trademark Law, Boston University School of Law, The Trademark Reporter 97(6), [online] [2007] 1234. Available at:

https://scholarship.law.bu.edu/cgi/viewcontent.cgi?article=1664&context=faculty_scholarship [Accessed on 19 May 2024]

the existing law.³⁴ This approach can be justified as it is important for setting an understanding on the topic of trademark registration, opposition proceedings and the likelihood of confusion doctrine.

In addition, to complement the descriptive view, a more prescriptive approach to the research questions is utilized to find how crowded field and similar elements fit the trademark system. Legal doctrine can also aid, through prescriptive approach, to establish *de lege ferenda* since it reflects the law's normativity.³⁵ In search for best outcome, the systematic thinking of how the outcome fits the system is of more importance than mere economical or moral consideration. In essence, prescriptiveness of the legal doctrinal analysis also means that considerations arising out of the legal system must be analysed through the legal system.³⁶ However, economic rationale will be later evaluated in the research.

Third aim of the legal doctrine is to provide the justification for existing law, more precisely, because the doctrine acts as the independent justification of the law. When the parts under analysis fit the legal system, it can be considered that the law is a functional one by validating the norms by referencing back to the legal system itself - thereby, applying internal validation.³⁷ In other words, the doctrinal method in the thesis provides important assessment of the system which ultimately needs to be both justified by its own existence and image. This positivistic view demonstrates the first part of the research which ultimately tries to ascertain the current law and how the different elements fit the system, both in terms of legal analysis and economic rationale. In addition, the possible propositions for reform at the end of the thesis require more normative approach as to what economic and even moral elements in crowded field argument are there and if there are justifications for reform. Doctrinal method is seen as one of the two important tools to answering the research questions in this thesis.

There is also an introduction to the theme of congestion and what is perceived as crowded field phenomenon in trademarks and how does that form. Cases from the US provide important notes for describing how crowded field as an argument is seen from a legal positivistic perspective. Some reasons for the formation of congestion are being introduced and assessed in terms of other trademark related issues that have been under discussion. Further, similar

³⁴ Jan M. Smits, *What is Legal Doctrine? On the Aims and Methods of Legal Dogmatic Research*. Maastricht European Private Law Institute Working Paper No. 2015/06. [2015] 8. Available at: <http://ssrn.com/abstract=2644088> [Accessed on 19 May 2024]

³⁵ *ibid* 10–11.

³⁶ *ibid* 10–12.

³⁷ *ibid* 11–12.

elements to crowded field, such as genericness and descriptiveness will be analysed in relation to congestion and crowded field.

Since the economic rationale for having a crowded field argument in the opposition proceedings can be used as a justification for the utilization of the argument or a potential normative ground, it must be evaluated in detail. The law and economics approach will be used to evaluate whether there are beneficial arguments for the crowded field argument. The economical perspective operated is the consumer search cost theory. First of all, the consumer search cost theory has a relatively solid foothold in the trademark law, and it is often cited as a theory according to which minimizing the consumer search costs is one of the justifications for the existence of trademarks.³⁸ Another point of view for the choice of theory is that crowdedness presumably affects the search costs of the consumers when multiple operators are operating on the same field with similar marks and/or similar goods and services. Moreover, besides the positivistic description of the economic rationales, the normative perspective will be utilized to propose for future reforms in the trademark law. Positive law and economics may e.g., find courts currently applying economic rationales without expressly referring to those arguments. Normative view, on the other hand, could provide reform proposals to change the law in terms of the economic model that is perceived to solve a dilemma.³⁹

The adequate data and sources that are demanded in order to answer to the research questions properly relate to most importantly the legislative sources which provide the primary legal framework, also in terms of methodology. However, other important notions are made through the secondary sources, especially the cases both in EU and the US. Since case law from the European Union member states is excluded in this research, EUIPO cases are the ones providing the harmonized interpretation of the EU in terms of the research questions relating to the likelihood of confusion assessment in the opposition proceedings and the potential upset of the assessment by crowded field argument. Data will be provided from the USPTO as well, but the registration proceeding somewhat differs from the EU. Therefore, US registration proceedings are used only as a reference/background information. Moreover, the US appeal body TTAB and US courts will give some insight on the matter of crowded field. Most

³⁸ Mark P. McKenna, *The Normative Foundations of Trademark Law*, *Notre Dame Law Review* 82(5), [online] [2007] 1844. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=889162 [Accessed on 19 May 2024]

³⁹ Mathias M. Siems, *Legal Originality*, *Oxford Journal of Legal Studies* 28, [online] [2007] 21. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=976168 [Accessed on 19 May 2024]. See also R. A. Posner, *The Problems of Jurisprudence*.

importantly US perspective will be utilized because US sits in the forefront in this matter and EU has only rare cases rendering crowded field argument.

In addition to EUIPO opposition proceedings, the appeals from their cases will be brought to Board of Appeal, General Court and the Court of Justice of the European Union, which are naturally being evaluated in this regard. Even though the perspective of the research is taken from a registration proceedings point of view, some elements in relation to the likelihood of confusion assessment and elements of crowded field can be found in infringement proceedings. It must be noted that while some parts of the analysis conducted in these two settings differ in respect to likelihood of confusion assessment, there are some common connections, and those elements will be analysed in this research in respect of opposition proceedings.

Not all of the opposition proceedings cases were examined, but a more focused searches in relation to relevant factors drawn from other case law and scholarly literature were utilised for a more accurate data search. Because the author of the thesis chooses the relevant data and sources for the research, there may exist some unintended bias, even though, it is perhaps inevitable in terms of research conducted in this manner. However, the extensivity and diversity of sources is capitalised in attempt to counter the effects of possible bias in data and source choices made by the author. Therefore, the bias may be expected to be reasonably minimized.

1.4. Limitations

The assessment of likelihood of confusion of trademarks is limited to registration proceedings in the EU. However, in the registration proceedings, the EUIPO does not conduct an examination on the relative grounds for refusal *ex officio*. Instead, it is conducted in the opposition proceedings which requires an opposition of an earlier mark in the EUIPO. The Office then decides the outcome and it is subject to appeal. The registration proceedings that are not otherwise revolving around the opposition proceedings and likelihood of confusion assessment are left out in terms of this research. Moreover, the opposition proceedings shall only apply in respect of this thesis to the EUIPO proceedings, meaning that national registration and opposition proceedings will be cut off the research scope. However, the US will provide useful insight on the crowded field argument which is why it will be touched upon. Nevertheless, US likelihood of confusion assessment in the registration proceedings and the appealing courts differs from the EU and the cases from the US will be used as a reference to detect relevant factors at play in the likelihood of confusion assessment related to crowded field argument. The other national jurisdictions and legislations will be excluded also because the national legislative frameworks in which different countries, such as European Union

member states operate, differs from one another. Also, their registration proceedings differ since some states involve *ex officio* examination of the relative grounds for refusal and some do not. There is also a noteworthy competency issue since each of the member states' national proceedings are considered separate from the EU. Additionally, it is also a practical decision that national courts are left out, since the author of this thesis does not possess language skills in the extent required to comprehend broad range of member states' national case laws. Further, potentially limiting the scope to consider only marginal number of member states' cases would make it academically difficult to justify why only certain states were chosen and certain other states were left out.

This thesis does not try to provide analysis or answers to questions that relate to marks with reputation. Even though marks with reputation deal with similarity issues and similar economic effects, marks with reputation are excluded from the scope of the paper. The thesis will also not cover dilution. In addition, there are multiple other arguments unrelated to the research topic that can be argued in the registration or opposition proceedings which will also not be covered in the thesis.

While competition law or consumer law somewhat touches the topic of this thesis, these aspects will be left out in the sense of legal framework. However, aforementioned competitive and consumer contexts will be briefly touched upon in terms of the economic perspectives because of their inherent nature in the discussion.

The thesis also limits itself by not considering whether there exists a potential dilemma of exhaustible competitively effective trademarks or not, but rather assumes it through Beebe's and Fromer's arguments. There is an assumption of the underlying theory that there exists shrinking of the trademark dimension, the consequence of which might result to depletion, congestion, or crowded fields.

2 LIKELIHOOD OF CONFUSION ASSESSMENT IN OPPOSITION PROCEEDINGS

In order to understand the crowded field as a phenomenon and a potential argument in the opposition proceedings, the premise of likelihood of confusion must be established. Since the crowded field marks are defined as marks with similar signs in connection with similar goods or services, they might be subject to relative grounds for refusal, during which the likelihood of confusion is assessed. The likelihood of confusion assessment plays a crucial role in denying applicants applying for marks that are similar to already registered marks. In essence, likelihood of confusion analysis is one of the core gatekeepers in relation to avoiding further crowding of the trademark registry. If the likelihood of confusion analysis is not applied

strictly, the registry might get filled with more crowded field marks. As this chapter will examine, the opposition proceedings emphasise the importance of active monitoring of the proprietors of prior marks to protect both their own interests and the registry from becoming more crowded.

The essential function of trademarks is to indicate origin as well as identify and distinguish goods and services of different economical entities from one another.⁴⁰ The distinguishing element presupposes that two or more trademarks should not be identical or even similar to a sufficient extent, rather it is specified that they must be distinct from one another.⁴¹ One of the ways trademark law attempts to define the interface of whether two marks are too similar, is through the doctrine of likelihood of confusion. The likelihood of confusion doctrine is a safeguard of the proprietor of an earlier trademark which can also basically deny another subsequent registration or the use of another identical or similar mark. However, there are also other parts in the trademark system that provide protection for proprietors of earlier marks, which will not, however, be further discussed in relation to the scope of this paper.⁴²

This contribution provides insight particularly on registration phase's opposition proceedings. After an applicant for European Union Trade Mark has applied for a mark and passed the absolute grounds for refusal, which will be briefly discussed later below, the application will become subject to opposition by an owner of an earlier trademark under certain circumstances. The owner of an earlier mark may file an opposition during a three-month period following the publication of an EUTM application.⁴³ If an owner of an earlier mark files an opposition and it is examined admissible by the European Union Intellectual Property Office, the Office invites parties (the applicant and the opponent) to file observations which will be examined, following which the EUIPO will make its ruling on the case and decide whether or not the application will be refused or accepted.⁴⁴

The statutes that provide framework of the EU trademark law concerning likelihood of confusion are European Union Trade Mark Regulation⁴⁵ and European Union Trade Mark

⁴⁰ Annette Kur, Thomas Dreier, and Stefan Luginbuehl, *European Intellectual Property Law: Text, Cases and Materials*, Second Edition, Edward Elgar Publishing Limited, [online] [2019]. Available at: ProQuest Ebook Central, <https://ebookcentral.proquest.com/lib/hanken-ebooks/detail.action?docID=6005289> 182.

⁴¹ EUTMR Article

⁴² Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 1

⁴³ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, "EUTMR" [2017] OJ L 154 Art. 46

⁴⁴ EUTMR Art. 47

⁴⁵ EUTMR

Directive.⁴⁶ In addition, there are national legislations that are considered domestically. They also somewhat differ in terms of their assessment of relative grounds for refusal, mostly as regards to whether the national registration offices conduct relative grounds for refusal assessment *ex officio* during the registration proceedings. For example, Finnish Patent and Registration Office conducts its likelihood of confusion assessment *ex officio*.⁴⁷

Firstly, in the European Union context of registration of a trademark, absolute grounds for refusal are assessed based on EUTMR Article 7 and EUTMD Article 4. These ultimately rather identical provisions cover multiple grounds. However, the elements of trademark law that are considered most essential in the provisions are the distinctiveness and distinguishing requirement but also that the applied mark cannot be exclusively descriptive.⁴⁸ The confusion assessment can come in play at the second potential assessment of the refusal of trademark, which is the relative grounds for refusal, where the assessment generally considers applied mark's identity or similarity compared to an earlier mark or earlier marks. In addition, the relative grounds for refusal provisions cover e.g., reputed earlier marks. However, this paper will mainly focus on the identity and similarity considerations provided in the EUTMR Article 8(1) and EUTMD Article 5(1), because the likelihood of confusion assessment takes place within the framework of the aforementioned provisions, while reputed marks avoid the confusion assessment.⁴⁹ According to the text of the EUTMR, relative grounds for refusal shall be considered in the opposition proceedings of the registration, in which the proprietor of an earlier mark may file an opposition to request for a rejection of the mark applied.⁵⁰ In European Union, the European Union Intellectual Property Office (EUIPO) will examine both the initial registration (absolute grounds for refusal) as well as relative grounds for refusal in the opposition proceedings as mentioned.⁵¹

⁴⁶ 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 trade marks "EUTMD" [2015] OJ L 336

⁴⁷ Finnish Patent and Registration Office Available at:

https://prh.fi/en/trademarks/ennen_tavaramerkin_hakemista/requirements_for_trademark_registration/risk_of_confusion.html [Accessed on 19 May 2024]

⁴⁸ EUTMR Art. 7(1)(b) and (c), EUTMD Art. 4(1)(b) and (c)

⁴⁹ EUTMR Art. 8(1), EUTMD Art. 5(1).

⁵⁰ EUTMR Art. 8

⁵¹ European Intellectual Property Office "EUIPO", Trade Mark Guidelines, Overview of the Opposition Proceedings, [online] 2022, Available at: <https://guidelines.euipo.europa.eu/1935303/2045443/trade-mark-guidelines/1-overview-of-opposition-proceedings-%E2%80%94-the-difference-between-%E2%80%98absolute-grounds%E2%80%99-and-%E2%80%98relative-grounds%E2%80%99-for-refusal-of-an------eutm-application> [Accessed on 19 May 2024]

The likelihood of confusion can be assessed on two different levels in the European Union context. The previously mentioned opposition proceedings in the registration phase, which involves the relative grounds for refusal provision, is one of those two. The other considers likelihood of confusion assessment in an infringement scenario, relying on the statutes of EUTMR Article 9(2) and EUTMD Article 10(2).⁵² The relative grounds for refusal in registration proceedings is considered to be more of an abstract version of the likelihood of confusion assessment compared to the infringement type of confusion assessment, therefore they consider confusion differently in terms of the concreteness of their assessments.

In infringement scenario the actual context of the case can be better examined so that the real-life usage of the mark can be considered. Infringement scenario does not necessarily involve any registration of trademark on behalf of the defendant in infringement scenario, rather it conveys a situation where the earlier mark is unauthorizedly used by a third party in the course of trade without the trademark holder's permission, as described in the aforementioned trademark provisions.⁵³ It follows that the specific circumstances of the case must be assessed individually per case. The way in which the earlier mark is actually being used in commerce is essential, however, it does not affect the scope of proprietary rights rendered by their registration of the sign. Nevertheless, in certain scenarios, the actual usage may pose strengthening arguments towards finding similarity between the signs concerned in the infringement claim, even though the registration-based information would not.⁵⁴ The importance of evidence of actual usage cannot be stressed enough, even though the overall assessment decides the outcome of the case.

On the other hand, in opposition proceedings, the likelihood of confusion assessment cannot always practically involve consideration of actual context of usage, instead, the abstract nature of the assessment is based on the registered earlier mark and how the later applied mark is conveyed in its application for the EUTM. Because actual usage of the applied mark is not required at the application, the actual usage cannot be practically involved in the likelihood of confusion assessment. Instead, the mark has to be genuinely used in connection to the registered goods or services within a five year period following the registration.⁵⁵ However, all the necessary circumstances of the potential usage of the applied mark, according to the application, must be taken into account in the likelihood of confusion assessment, even though

⁵² Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 188. Also, EUTMR Art. 9(2), EUTMD Art. 10(2).

⁵³ *ibid* 10, 188-189.

⁵⁴ *ibid* 189.

⁵⁵ EUTMR Art. 18.

the actual usage cannot be accurately considered.⁵⁶ For example, the applied mark's classification can indicate certain potential usage which has to be evaluated in the assessment of the necessary circumstances.

In order to answer the research question of whether the crowded field argument can be utilized as either denying or supporting likelihood of confusion in opposition proceedings, this paper establishes ground rules of likelihood of confusion and how all the factors of the likelihood of confusion assessment are taken into consideration in the European Union registration process and opposition proceedings. First, it must be established what is confusion and how is it evaluated. In order to do that, relevant case law and scholarly literature will be utilised. Following, all the relevant factors that affect the likelihood of confusion assessment are examined. These fundamentals of the likelihood of confusion analysis provide important aspects to consider in connection with the crowded field trademarks and the opposition proceedings in which the assessment of confusion is deployed. In order to verify whether crowded field has an effect on the likelihood of confusion analysis, the analysis itself must be examined thoroughly. The following subchapters demonstrate essential factors at play in the likelihood of confusion assessment and how they correlate.

2.1. The meaning of confusion

The meaning of confusion in likelihood of confusion is broad, but also dependent on the context of the particular case. However, CJEU has defined likelihood of confusion as "where the public can be mistaken as to the origin of the goods and services in question".⁵⁷ The CJEU has further added that it includes situations where the consumers mistake the latter mark for the goods and services of the earlier mark. Another point added here was that likelihood of confusion may arise in scenarios, where consumers could mistakenly believe that the goods and services originate from the same undertaking or economically linked undertakings. The Court has also stated that the likelihood of confusion assessment is linked to the essential and fundamental function of a trademark. In its judgement in *Canon*, the Court noted that essential function of a trademark is to secure the identity of the origin of marked goods or services so that the consumer is able to distinguish the goods and services with no possibility of confusion from other goods and services which have a different origin. Further, the trademark must meet the requirement that all the goods and services signalled by the mark

⁵⁶ *ibid* 188.

⁵⁷ Case C-39/97 *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1998] ECLI:EU:C:1998:442

have originated from the said undertaking which also bears the responsibility for the quality of the products in question.⁵⁸

The definition of confusion, however, relies on the premise that a latter mark and an earlier mark are identical or similar and that the goods or services of these undertakings are also identical or similar. The conditions set on the similarity of marks and also the goods or services are cumulative, which means that if either of the conditions are not met, there would not exist a likelihood of confusion as per the provisions.⁵⁹ For example, if the compared signs are similar with each other, but the goods and services are very different, there would be no likelihood of confusion in terms of relative grounds for refusal or rights to exclude others in alleged infringement situations. Nevertheless, the registered signs which hold reputation in the European Union area could avoid the likelihood of confusion assessment and the cumulative requirement of identity with, or similarity to, both the mark and goods and services.⁶⁰ However, the notion of a sign's reputation in the Union, due to its lack of confusion related aspects, is outside the scope of this paper.

The scope of confusion can be understood as either direct or indirect. Direct confusion means that the consumer simply mistakes the latter mark for the earlier mark. The indirect confusion, on the other hand, means that the consumer knows that the latter mark is different from the earlier mark, but due to the similarity of the marks and goods and services in question, falsely supposes that latter mark is a brand extension of the earlier mark, which it is not.⁶¹ However, there are other types of confusion. Because the reputation of a mark does not necessarily depend on which mark has been registered the longest, an earlier mark may also be mistakenly confused with a junior mark. This has been called "wrong way round confusion". Even though the described situation is rather rare, it most likely happens in circumstances where the earlier mark is a rather local smaller operator while the latter mark has a broad reputation e.g. globally or somewhere else in the Union, but tries to enter a certain member state's market.⁶²

⁵⁸ *ibid.*

⁵⁹ Paul Maeyaert and Jeroen Muyldermans, *Likelihood of Confusion in Trademark Law: A Practical Guide Based on the Case Law in Community Trade Mark Oppositions From 2002 to 2012*, *The Law Journal of the Intellectual Trademark Association*, 103(5), [online] [2013] 1032. Available at: <https://heinonline.org/HOL/LandingPage?handle=hein.journals/thetmr103&div=31&id=&page=> [Accessed on 19 May 2024]

⁶⁰ EUTMR Art. 8(5), Art. 9(2)(c), EUTMD Art. 5(3)(a), Art. 10(2)(c).

⁶¹ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 5.

⁶² *ibid* 7.

Confusion under European trademark law may not be actionable when it is associated with something other than commercial origin.⁶³ Therefore, demonstrating that the relevant public is not confused as to where the goods or services are made is not sufficient to show that there is no likelihood of confusion.⁶⁴ Because the CJEU has established confusion in infringement scenarios in a way that the actions of the junior mark have harmed a function of the earlier mark (one of the functions is the indication of origin), it can be considered that the most distinct example of harm to the ability of a trademark to indicate its origin is that of a harm caused by confusion, which leads to the fact that the mark has lost its ability to be reliably distinguished from other operators' goods and services.⁶⁵

Since the EU provisions regarding confusion state that "the likelihood of confusion includes the likelihood of association with the earlier trade mark"⁶⁶, it should be determined what that provision means. There is quite a natural risk that one might assume that association alone could amount up as confusion.⁶⁷ Nevertheless, CJEU somewhat clarified the meaning of the provision in *SABEL v Puma* where it defined that "the concept of likelihood of association is not an alternative to that of likelihood of confusion but serves to define its scope. The terms of the provision itself exclude its application where there is no likelihood of confusion on the part of the public."⁶⁸ The definition proposes that the association is just one of the elements of confusion because consumers cannot otherwise confuse an earlier mark and latter mark unless the latter resembles them of the former. Nevertheless, the association does not act as an alternative to confusion.⁶⁹ Instead, the association can indicate that there is likelihood of confusion, however, it does not necessarily constitute likelihood of confusion.⁷⁰

⁶³ *ibid* 6.

⁶⁴ Case C-39/97 Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc. [1998] ECLI:EU:C:1998:442 Para 29.

⁶⁵ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 6.

⁶⁶ EUTMR Art 8(1)(b) and EUTMD Art 5(1)(b).

⁶⁷ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 6.

⁶⁸ C-251/95 *SABEL v. Puma*, Rudolf Dassler Sport [1997] ECLI:EU:C:1997:528 Para 18.

⁶⁹ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 6.

⁷⁰ Paul Maeyaert and Jeroen Muyldermans, *Likelihood of Confusion in Trademark Law: A Practical Guide Based on the Case Law in Community Trade Mark Oppositions From 2002 to 2012*, *The Law Journal of the Intellectual Trademark Association*, 103(5), [online] [2013] 1041. Available at: <https://heinonline.org/HOL/LandingPage?handle=hein.journals/thetmr103&div=31&id=&page=> [Accessed on 19 May 2024]

2.2. Similarity of marks

The similarity of marks is one of the two most important factors when assessing likelihood of confusion, alongside the similarity of goods and services, because they are both preconditions to assessment of the likelihood of confusion according to the provisions previously described.⁷¹ If either of the two conditions, similarity between the marks or goods and services in concern are not met, there would be no likelihood of confusion in the first place. However, when the two signs in question do possess elements of similarity considering both marks and the goods and services, there will be an assessment of these factors.⁷² The precondition of similarity or identity of both the marks and the goods serves a great role as a gatekeeper of the trademark registration. If the precondition is not met, there will be no likelihood of confusion. However, if the assessment of similarity is not conducted adequately, it may allow similar marks with similar goods or services to be registered, consequently increasing the crowdedness or cluttering of trademark registries.

The assessment of the similarity of marks is connected to the matter of crowded field, which has been previously defined in this paper as a certain field or a class of goods or services where there are many similar marks so that the economical operators seek to apply for the only remaining spaces there are left in a way that the certain class of goods or services starts to reflect the characteristics of a crowded field of trademarks. As per the definition of crowded field used in this paper, similarity is inseparable from the crowded field phenomenon which means that the assessment of the similarity of marks must be thoroughly examined in order to understand how it functions. The examination of the similarity of marks in the likelihood of confusion analysis provides information on how the similarity in the crowded field can be further defined.

The test for the similarity of marks has been moulded into its current form by the Court of Justice of the European Union in *SABEL v Puma* case in the 1990s.⁷³ In that case, the CJEU determined 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"⁷⁴ ultimately aiming towards designating whether the signs at issue are sufficiently similar to cause a likelihood of confusion

⁷¹ EUTMR Art. 8(1), EUTMD Art. 5(1)

⁷² EUTMR Art. 8(1)(b) as well as CJEU case law. See, for example, Case C-552/09 P Ferrero SpA v Office for Harmonisation in the Internal Market (OHIM) [2011] ECLI:EU:C:2011:177 and Case C-106/03 P Vedral SA v Office for Harmonisation in the Internal Market (OHIM) [2004] ECLI:EU:C:2004:611

⁷³ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 17.

⁷⁴ C-251/95 *SABEL v. Puma, Rudolf Dassler Sport* [1997] ECLI:EU:C:1997:528 Para 23.

in the perspective of the average consumer of the goods or services at issue. For marks that have other sensory aspects, such as olfactory marks, these aspects should also be considered.⁷⁵ Additionally, the similarity of the marks in question should be examined by considering the mark as a whole and just as they were registered or applied for.⁷⁶

The Court has also added that the average consumers does not divide the marks into their structural elements, rather they tend to view the marks they are facing as a whole. The CJEU has also noted that an average consumer is reasonably informed, observant and circumspect.⁷⁷ Even though it should be noted that the average consumer does not usually have the chance to compare the two or more marks to each other, instead the average consumers have to rely on their recollection of the mark, which is often deficient.⁷⁸ In addition, the attention the consumer gives to different aspects of the mark varies depending on the category of goods at issue.⁷⁹ For example, one would choose their toilet paper with lesser attention to marks and their attributes while giving more attention to marks' attributes when buying a car or a luxury item. It also said that there is no standard degree of similarity in terms of the mark's aural, visual or conceptual similarity, because the significance of each aspect in a particular case depends on the type of goods or services acquired.⁸⁰

Instead of rendering a simple yes or no answer to the test of similarity, the courts obtain a preliminary finding on whether the visual, aural and conceptual aspects possess low, average or high degree of similarity. This results in more relevant data for the multifactor comparison of overall similarity of marks, and potentially if similarity is found, likelihood of confusion assessment. Even though it may seem like the similarity test is simple, the practical requirement for similarity consideration is covered with ambiguity. Fhima and Ganjee raised

⁷⁵ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 17.

⁷⁶ Paul Maeyaert and Jeroen Muyltermans, *Likelihood of Confusion in Trademark Law: A Practical Guide Based on the Case Law in Community Trade Mark Oppositions From 2002 to 2012*, *The Law Journal of the Intellectual Trademark Association*, 103(5), [online] [2013] 1064. Available at: <https://heinonline.org/HOL/LandingPage?handle=hein.journals/thetmr103&div=31&id=&page=> [Accessed on 19 May 2024]

⁷⁷ *ibid.*

⁷⁸ Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECLI:EU:C:1999:323 Para 26.

⁷⁹ *ibid.*

⁸⁰ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 17.

their concern that especially the way dominant and distinctive elements of marks are recognised or how they can be compared has been rather dim or even conflicting.⁸¹

There is a certain method of examining the similarity of marks in the likelihood of confusion assessment according to the EUTMR Article 8(1)(b). The assessment of the similarity of the compared signs is conducted by comparing the corresponding signs in order to establish if the signs are visually, conceptually or phonetically similar. The CJEU has stated that the comparison must be conducted based on the overall impression which the signs have formed, given that account must be taken of the internal qualities of the signs in question and not to external circumstances relating to the signs at issue, e.g., marketing circumstances.⁸²

However, case law has not always been very clear regarding the assessment of similarity of signs. The case law of the General Court and The CJEU have had two different approaches in their own previous judgements regarding examining the similarity of signs. In a case *EUIPO v Equivalenza Manufactory SL* couple of years ago, the Advocate General, along with the appealing EUIPO, raised their concerns on the application of the Article 8(1)(b) of the former Community Trade Mark Regulation.⁸³ Advocate General demonstrated two methods the General Court and CJEU had utilized contradictorily in the past and how General Court had erred in the particular case in question. Advocate General pointed out "strict" and "flexible" methods for comparing signs.⁸⁴ In the "strict" method, when the General Court is at the stage of comparing two signs at issue, it must only compare the visual, aural and conceptual aspects of the signs. If the comparing results in finding any similarity in respect of at least one of the aforementioned aspects, the GC must decide that the signs at issue are similar according to the Article 8(1)(b) of the EUTMR (or previously CTMR). After this has been established, and also if the goods and services are in addition deemed to be similar, the global assessment of the likelihood of confusion must be carried out. The circumstances of the case, such as the marketing circumstances or a potential counteraction of the found similarities of the two or more signs on account of the signs' differences on other aspects must be analysed withing the global assessment of the likelihood of confusion, among the rest of the relevant factors, such as the relevant public's perception of the signs.⁸⁵

⁸¹ *ibid* 18.

⁸² Case C-328/18 P European Union Intellectual Property Office (EUIPO) v Equivalenza Manufactory SL [2020] ECLI:EU:C:2020:156, Para 71.

⁸³ Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark [2009] OJ L 78. The Regulation is no longer in force as of year 2017.

⁸⁴ Case C-328/18 P European Union Intellectual Property Office (EUIPO) v Equivalenza Manufactory SL [2019] ECLI:EU:C:2019:974, Opinion of AG Saugmandsgaard, Paras 53-55.

⁸⁵ *ibid* Para 62.

As in the case example, the General Court found an average degree of similarity aurally, but following that, concluded that the signs were conceptually and visually different. Moreover, the differences of the visual aspect resulted from applying marketing circumstances in the similarity test. More precisely, GC stated that the circumstances of the cosmetic goods in question indicate that consumers tend to hold the visual aspect of the sign more important than the other aspects. Because the differences of the signs outweighed the similarities, the GC decided that the signs at issue are not overall similar. Therefore, the General Court refrained from conducting a likelihood of confusion assessment, based on the signs not being similar.⁸⁶ According to the strict method, there should have still been a global assessment of the likelihood of confusion conducted since some evidence of similarity between the signs was found, but the GC operated an alternative, flexible method, to the similarity assessment instead.

According to the flexible method, which was demonstrated in a few of the GC's and the CJEU's decisions⁸⁷, the Court must include in the comparison of the signs their visual, aural and conceptual aspects, but also the balancing exercise of the degrees of similarity and the differences of the signs, in respect of each aspect. In addition, the Court must take into account other relevant factors such as marketing conditions and possible counteraction. If, in light of this global assessment of similarity stage, the Court finds that the differences outweigh the similarities, it must therefore conclude that the signs at issue are not similar according to the overall assessment of similarity. In result of such a discovery, the Court must desist from conducting the global assessment of the likelihood of confusion.⁸⁸

In the case described, the CJEU affirmed that the case law of the EU courts has been divergent regarding the similarity assessment but concluded that in the case at issue the General Court had erred in applying the so-called flexible method of approach instead of the strict method.⁸⁹ The Court determined that the assessment of the degree of similarity between the signs should be concluded by excluding the marketing circumstances or the potential customers' buying habits.⁹⁰ The examination of the circumstances in which the goods and services are marketed, as well as how the circumstances affect the degrees of visual, aural or conceptual similarity should be examined at the stage of the global assessment of the likelihood of confusion if there

⁸⁶ *ibid* Para 40-42.

⁸⁷ GC and CJEU have demonstrated the "flexible" method in, *inter alia*, Case C-597/12 P *Isdin v Bial-Portela*, Case T-559/13 *Giovanni Cosmetics, Inc. v OHIM*, Case C-579/08 P *Messer Group v Air Products and Chemicals*.

⁸⁸ *ibid* Para 63.

⁸⁹ Case C-328/18 P *European Union Intellectual Property Office (EUIPO) v Equivalenza Manufactory SL* [2020] ECLI:EU:C:2020:156, Para 69.

⁹⁰ *ibid* Para 70.

has been previously determined that the signs at issue are similar.⁹¹ The judgement clarified the status of the assessment which is, considering the provision, much more complicated than what the plain text of the provision itself contains. The judgement verified the correct process of the assessment of similarity and therefore the outcome of the assessment of similarity is also not as dependent on the goods and services in question. In respect of crowded field trademarks, this outcome of the case further demonstrates that any kind of similarity, which in terms of crowded field trademarks arises almost naturally at least on a faint degree, is sufficient to demand for a global assessment of likelihood of confusion.⁹²

2.2.1. Assessing the visual similarity of the signs

CJEU has evaluated that the visual, aural and conceptual aspects of similarity are considered rather equal, moreover, not appraising certain hierarchy between them. Even though no hierarchy is evident, the different aspects are not required to be present in a mark on an equal degree. As well as the global assessment of likelihood of confusion, similarity is considered in overall global manner, meaning that stronger aspects of confusion might overtake a low level of similarity of another aspect. For example, CJEU has pointed out in its judgement in *Lloyd* that even if one aspect is found similar, while others are not, the overall assessment could point towards the signs being similar - and vice versa.⁹³ Even though one aspect can upset the other aspects being different, there are no specific evaluation on what element is the strongest. In addition, Fhiman and Gangjee have pointed out that the weight of each aspect seems to depend on the goods and services in question as well as the context of the purchasing decision.⁹⁴

Because the assessment of confusion relates so closely to the perception of the average consumer, which is the aspect that is the most substantial to the consumers purchasing decision, more significance is imposed on that particular aspect.⁹⁵ Indeed, General Court has emphasised the significance of the visual aspect in the global comparison of the signs when for

⁹¹ *ibid.*

⁹² The threshold of similarity which leads to the global assessment of likelihood of confusion is discussed in the case C-552/09 P *Ferrero SpA v Office for Harmonisation in the Internal Market (OHIM)* [2011] ECLI:EU:C:2011:177. According to the judgement Para 66: "[...if there is some similarity, even faint, between the marks at issue that the General Court must carry out a global assessment in order to ascertain whether, [...] there is [...] a likelihood of confusion[.]"

⁹³ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 19 and e.g. Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECLI:EU:C:1999:323 and C-398/07 P *Waterford Wedgwood v Assembled Investments (Proprietary) and OHIM* [2009] ECLI:EU:C:2009:288

⁹⁴ *Ibid.*

⁹⁵ *Ibid* 19.

example clothing signs are compared. Clothes are usually purchased based on the visual attraction of the clothes in fashion stores or catalogues. The same applies to e.g., beverages sold in bars, in which the beverages are ordered orally, therefore, emphasise on aural similarity could be considered more significant. However, it must be noted that it could not be assumed that this is always the situation, because the evaluation is also dependent on the normal marketing circumstances.⁹⁶

Another element the courts tend to emphasise is the beginnings of the signs, because often the beginning of a sign gets more attention than the rest of the sign. Nevertheless, there are no specific rules on signs with a similar beginning that they are always deemed similar. Instead, there are also often circumstances where the marks with similar beginnings are not considered similar. Same applies to situations where the signs in question do not possess similar beginning but could still be found similar considering their other elements. The context of the case at hand is always individual and should be examined case-by-case. Even when it could be considered that a significant part of signs' beginnings are similar, the similar parts might be descriptive or suggestive which could transfer the emphasis of the assessment towards other parts of the signs because consumers would pay attention to the different endings of the signs. The GC has put more significance on the different endings rather than substantive similarity in the beginnings of the signs in cases where the marks have been e.g., DUOVENT and DUONEBS or CASTELLANI or CASTELLUCA. Special circumstances of the goods and services in question, such as the word castle in respect of wines, were found common which had tipped the scale of attention towards the different endings which were not common among the particular goods and services at issue.⁹⁷

When the visual similarity of word marks is being evaluated, there are a few elements that are centralised. The number of shared or different letters between the marks, the order where the letters are presented, the positioning of the different or shared elements, and the general structure of the signs at issue. There is a level of interplay between these factors listed, since the interaction of the factors is key to the determination of the visual similarity.⁹⁸ For example, MEDINETTE and MESILETTE were found to have average visual similarity since they are both one word with an equal number of syllables and letters and in addition, they had seven identical letters with an identical beginning and ending of the words. The signs were found different when the signs at issue were BALLON D'OR and GOLDEN BALLS. They had only

⁹⁶ *ibid.* 19-20. See e.g. T-88/05 *Quelle v OHMI - Nars Cosmetics (NARS)* [2007] ECLI:EU:T:2007:45 and T-523/12 *Rani Refreshments v OHMI - Global-Invest Bartosz Turek (Sani)* [2014] ECLI:EU:T:2014:571

⁹⁷ *ibid.* 20-21.

⁹⁸ *ibid.* 23.

one shared part with "BALL" and the shared element was positioned differently in the two signs at issue, which also signalled the different initial and final elements. It is noteworthy that the consumers tend to focus their attention on the dominant and distinctive parts of a word mark.⁹⁹

Different fonts may not preclude the finding of visual similarity if there are other elements that are deemed similar. In addition, it does not matter if the marks in question have used lower- or upper-case letters, since the visual similarity could still be found.¹⁰⁰ Even though capitalisation in a word mark has been considered to not have any specific effect, in an event where a word mark utilises a combination of lower- and upper-case letters in a way that it is unconventional compared to how the word is usually written, it must be taken into account in the similarity comparison. Since the average consumer likely notices the irregular capitalisation, it does have an effect on how the public perceives the mark, therefore this type of arrangement of capitalisation would be taken into account as well.¹⁰¹ On the other hand, if the fonts are similar, capitalised and even underscored that would aid towards finding confusion.¹⁰² However, if the earlier mark is a word mark with figurative elements, it could still lead to finding marks dissimilar or only slightly similar because of a difference in fonts. Though, the differences cannot be minimal in order to prevent similarity.¹⁰³

In respect to the length of the signs in question, the amplitude of the similarity is higher when the signs at issue are long, but the differing parts are only a couple of letters, the similarity examination tends to tip the scale towards finding similarity. On the other hand, if the signs are rather short, the differences between the marks are more likely to be detected by the average consumer. Respectively, when the signs at issue are very different in length, the finding of similarity could be more difficult.¹⁰⁴

In terms of composite marks, which are often described as marks which possess both a word element and a figurative element, the difficulty of the similarity assessment is evident when the two elements point toward different outcomes in the similarity comparison, for example,

⁹⁹ *ibid* 24-25.

¹⁰⁰ *ibid.* 25.

¹⁰¹ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 940.

¹⁰² Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 27 and example from UK: *Fine & Country Ltd v Okotoks Ltd* [2013] EWCA Civ 672

¹⁰³ *ibid.* 26-27. and EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 942.

¹⁰⁴ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 31.

in cases where the figurative element is similar, but the word element is not.¹⁰⁵ In addition to the description provided above, the composite marks can also be understood to involve marks that consist of just two words or two figurative elements. Even though, distinguishing which marks are composite marks is difficult, the importance of the distinction is not as evident as it may seem, since it is in essence an application of the SABEL judgement's principles of comparing any kind of marks. In all the cases the comparison is understood as global assessment in which account is taken on all the aspect that are relevant within the marks at issue.¹⁰⁶ When evaluating if marks are similar, CJEU has emphasised a somewhat contradictory approach in which at the same time tribunals must both assess the mark as a whole while also take into account the essential elements of the mark. The difficulty in respect of composite marks is more evident than in other types of marks because of the weight given to each element of the mark is uncertain. Because the composite marks consist of multiple elements, the variables that are in play in the similarity comparison also increase.¹⁰⁷

Often marks consist solely of graphical elements. In respect of their visual assessment, it is difficult to compare such abstract elements objectively, which might lead to varying judgements.¹⁰⁸ Reasons for diversity in decisions include, for example, that consumers do not come across an objective image classification system. However, some administrative bodies classify graphical representations through Vienna classification system, in which the images concerned can be classified in a specified hierarchical mechanism.¹⁰⁹ Because of the fact that consumers are not subject to being exposed to such classification system during their visual comparison of the marks during a purchasing decision, this mechanism is not particularly effective in respect of the application of confusion assessment, which ultimately considers the perspective of the average consumers. Courts are inclining towards stripping down the marks consisting of images into their abstract elements. There is a potential that this method can overlap with the conceptual comparison, because abstract elements are often understood as something that directly or indirectly lies behind the signs at issue. Therefore, the initial analysis might provide contradictory results if not brought under more detailed comparison.¹¹⁰

¹⁰⁵ *ibid.* 67.

¹⁰⁶ *ibid.*

¹⁰⁷ *ibid.* 67-68, 103.

¹⁰⁸ See e.g., Cases T-424/10 *Dosenbach-Ochsner v OHIM* [2012] ECLI:EU:T:2012:58 and T-342/12 *Fuchs v OHIM* [2014] ECLI:EU:T:2014:858

¹⁰⁹ *ibid.* 28.

¹¹⁰ *ibid.* Also, see Case T-145/14 *adidas v OHIM* [2015] ECLI:EU:T:2015:303 where the abstract elements were described as "parallel sloping stripes, equidistant, of the same width, contrasting with the base colour of the shoe, placed on the outside of the shoe", which resulted in finding similarity between the marks, even though, there

The approach EUIPO utilizes in assessing abstract elements is evaluating that if the images match in one separately recognisable element or have similar outline or shape, there is an increased possibility of finding, at least some, visual similarity.¹¹¹

2.2.2. Assessing the aural similarity of the signs

The comparison of aural similarity can sometimes lead to finding of similarity when the visual comparison demonstrates similarity because the marks have some letters in common in the same order of placement or sequence. It is, however, distinct that this is not always a definite outcome. A different placing of a single letter can make a distinct difference in how visually similar marks sound compared to each other.¹¹² For instance, MERKUR and MERCURY were determined visually similar, but a placement of a single letter "Y" in the end of one of the marks provided that the marks were not aurally similar. However, the assessment of the visual comparison demonstrated only a low degree of similarity.¹¹³ The opposite situation can also arise when marks that contain verbal elements could look like different, but still be phonetically equivalent which could in turn lead to finding the mark visually similar or identical.¹¹⁴ As a general principle, aural comparison is often based on how its impression is influenced by the sequence and number of syllables as well as the rhythm and intonation the signs possess in addition to the stressed syllables.¹¹⁵

Because the European Union Trade Marks are granted protection over the whole Union and multiple member states, the aural similarity could be taken into consideration, in principle, in all of the languages of the member states. The examination of different languages can be limited to concentrate only on one part or some parts of the Union where the likelihood of confusion might exist.¹¹⁶

Even though marks should be perceived as a whole, a general principle in terms of comparing marks is that the dominant and distinctive components should be under specific focus. As a

were evident differences between the marks concerning the number of the stripes, their positioning, and inclination of the stripes.

¹¹¹ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 945.

¹¹² Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 31.

¹¹³ *ibid* 31. and Case T-106/09 - *adp Gauselmann v OHMI* [2010] ECLI:EU:T:2010:380 and consequently Case C-532/10 *adp Gauselmann v OHIM* [2011] ECLI:EU:C:2011:433

¹¹⁴ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 32.

¹¹⁵ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 958.

¹¹⁶ *ibid*.

general assumption, the beginnings and endings of marks are under more of an attention by the consumers than the middle parts of the marks that contain verbal elements. This approach attempts to generalize how consumers perceive trademarks, instead of this assumption being a general rule of law.¹¹⁷

Another scenario where aural similarity is interestingly decided is when the latter mark consists of two words or terms one of which is identical with the earlier mark and one of which is a term which is added after the identical word. For instance, IBS and IBSolution¹¹⁸ as well as SEVEN and SEVEN SUMMITS¹¹⁹ were found aurally similar because of the dominant elements being at the beginning of the marks. On the contrary, when the suffix of the longer mark is equivalent of a part of the shorter mark, aural similarity has not been generally detected, since the consumers tend to put emphasis on the different beginning instead of an ending in common.¹²⁰

Since descriptive elements are of importance in this paper due to the element's close proximity or similarity with crowded field trademarks, a particular emphasis must be placed in assessment of the descriptive elements in aural similarity. Especially when another sign consists of an additional verbal element that the other does not have, the assessment of aural similarity must consider if the additional element is a descriptive one. It can be argued that consumers are not that likely to pronounce elements which are only descriptive.¹²¹ Example of such case in the EU is where a mark which consisted of "Bürger", but also "premium pils", "traditional brewed quality", and "original". Even though the mark under comparison was Bürgerbrau, it was considered that the other additional elements were highly descriptive and were not likely to be pronounced by the consumers, thus leading to an aural similarity between the marks in question.¹²² Fhima and Gangjee argue that the suitable place to evaluate the

¹¹⁷ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 32. Taking aforementioned into account, the assumption can also be turned around when some other element is more dominant or distinctive.

¹¹⁸ Case T-533/12 *IBSolution v OHIM* [2013] ECLI:EU:T:2013:582

¹¹⁹ Case T-179/11 *Sport Eybl & Sports Experts v OHMI* [2012] ECLI:EU:T:2012:254

¹²⁰ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 33–35. In opposite cases, when the suffix of the longer mark is equivalent of a part of a part of the shorter mark, aural similarity has not been generally detected, since the consumers tend to put emphasis on the different beginning instead of an ending in common. The same applies when the element in common has a central position. See, for example, Case T-107/10 *Procter & Gamble Manufacturing Cologne v OHMI* [2011] ECLI:EU:T:2011:551 and Case T-393/11 - *Masottina v OHMI* [2013] ECLI:EU:T:2013:241

¹²¹ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 39.

¹²² Case T-460/11 - *Scandic Distilleries v OHMI* [2012] ECLI:EU:T:2012:432

distinctiveness of the relevant elements that are likely to be pronounced is during the conceptual analysis of similarity.¹²³

When elements are easily separable by the consumers, especially when some element is distinctive or dominant and others are descriptive or negligible, consumers tend to disregard the irrelevant elements and leave out some terms in pronunciation. It is also more efficient for the consumers to not read the descriptive components because the time it takes compared to the relevancy of the additional terms at play.¹²⁴

In situations where the signs at issue are purely graphical, the visual images cannot be subject to an aural comparison, by definition. Hence, when there are no verbal elements involved, the aural similarity is not possible to assess. Therefore, the only times when aural comparison takes place is when the marks have a sound, or they can be somehow pronounced.¹²⁵

When marks or at least one of the marks under comparison involves a word or a term which is not the native language or is otherwise non-dominant language of the consumers that are considered the relevant public of the goods or services in question, the tribunals take into consideration how the relevant public actually pronounces the aural elements, instead of how the element should correctly be pronounced in line with the orthodox pronunciation rules rendered by the language of the mark. Naturally, this results from the variety of different member states in the EU, where it is quite possible that the mark applied is opposed by a mark from a different member state. In such scenario, the way consumers in the territory of the senior mark would actually pronounce the mark is relevant.¹²⁶ For instance, when an English word is pronounced by a Finnish person, it is more likely that the pronunciation is correct compared to, for example, a citizen of Southern European member state.¹²⁷

¹²³ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 39.

¹²⁴ Paul Maeyaert and Jeroen Muyldermans, *Likelihood of Confusion in Trademark Law: A Practical Guide Based on the Case Law in Community Trade Mark Oppositions From 2002 to 2012*, *The Law Journal of the Intellectual Trademark Association*, 103(5), [online] [2013] 1077. Available at: <https://heinonline.org/HOL/LandingPage?handle=hein.journals/thetmr103&div=31&id=&page=> [Accessed on 19 May 2024]

¹²⁵ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 960.

¹²⁶ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 40. Also, taking into account whether the so-called correct pronunciation is how the relevant consumers actually pronounce the mark.

¹²⁷ *ibid.*

2.2.3. Assessing the conceptual similarity of the signs

Because concepts are not particularly trademarkable or protectable, it is difficult to align a correct weighting of the conceptual aspect of similarity. If there is too strict reliance on the conceptual similarity, it may provide unwanted results which can be naturally derived from the fact that people tend to search for meaning in things that surround us. Since the protected right of the owner in trademarks is the representation of the registered mark, it creates a limitation to the concept which lies behind the mark only in the elements of the mark that are distinctive, therefore, limiting the conceptual analysis from extending too broad or determinative.¹²⁸

Even though the average consumer tends to view trademarks that are placed before them as a whole, there also exists a natural need to seek for meaning behind the mark and its particles. This results in the consumers breaking down the mark into components that signal some concrete meaning or other familiar concepts, terms or words that create meaning.¹²⁹ When breaking down the mark into its components some elements aid the assessment. For example, use of upper-case letters may aid to distinguish joined words from each other, hence creating individual concepts within the mark. In "InvestHedge", the distinction between the two different meaningful words can be perceived more easily when the upper-case letter is involved to separate the word mark.¹³⁰

An easy way for the Office or tribunals to assert meaning of the word marks under comparison is to find explanation from a dictionary. The dictionaries involved depend on the languages of the relevant consumers in their territories. The conceptual meaning can, in the simplest matters, be reliant on the explanation of it in a dictionary.¹³¹ However, it is not always possible to find a clear and precise meaning from a dictionary, rather a synonym could sometimes suffice in order to grasp the conceptual meaning of a mark in question. When there are differing levels of perception, for instance, when some part of the relevant consumers understands the concept, others might perceive the meaning very differently. In those circumstances it is evident that distinction between these different perceptions should be

¹²⁸ *ibid* 42.

¹²⁹ Paul Maeyaert and Jeroen Muyldermans, Likelihood of Confusion in Trademark Law: A Practical Guide Based on the Case Law in Community Trade Mark Oppositions From 2002 to 2012, *The Law Journal of the Intellectual Trademark Association*, 103(5), [online] [2013] 1084. Available at: <https://heinonline.org/HOL/LandingPage?handle=hein.journals/thetmr103&div=31&id=&page=> [Accessed on 19 May 2024]

¹³⁰ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 989-990.

¹³¹ *ibid*. 985.

made.¹³² Language plays an important role in determining the distinction of different perceptions. Similar approach should be taken into account as in terms of aural similarity when assessing the conceptual meaning among the relevant public. In the case where there are different meanings, it could be faulty to only rely on one meaning rather than to take into account the various meanings the relevant public likely perceives.¹³³ It is, however, dependent on the case at hand in which the Office or tribunal might assert emphasis on the meaning that is the most common among the consumers.¹³⁴

People have different attributes in terms of knowledge and attention to details when perceiving marks. Further, experts such as trademark lawyers or other fairly analytical persons could determine conceptual connections between marks differently compared to an average consumer who is after all the person through the eyes of whom the similarity analysis is conducted. In addition, when analysing the conceptual similarities between marks, one must restrict themselves from taking a too broad approach in the formation of conceptual meaning.¹³⁵ A too broad of an approach might lead to general grouping, for instance, in cases where the signs in question describe a lamp and a cell phone, since they could both be conceptualised as electronics which is an overly general assertion of the concepts the marks hold. Additionally, superficial explanation of the concept is not often sufficient in terms of the conceptual analysis and too detailed conceptual analysis might not reflect the perception of the average consumer.¹³⁶

2.3. Similarity of goods and services

The examination of the similarity of the goods and services starts with determining if the average consumer is likely to find the goods and services in question either similar, identical or not similar.¹³⁷ The task of the tribunals or the registry examiner is to establish how similar

¹³² *ibid.* 987.

¹³³ In case *Now Click 2 Eat Ltd v Kunnure*, Trade Mark Registry (Appointed Person) O/485/17 Para 12 the Appointed person addressed the limitation of meaning. Even though this is a UK publication, its notable take on a singular meaning in terms of conceptual analysis brings a logical point in asserting multiple meanings the same way as the relevant public might assert in their view of the mark in question.

¹³⁴ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 43.

¹³⁵ *ibid.* 44.

¹³⁶ *ibid.* 44–45.

¹³⁷ Paul Maeyaert and Jeroen Muyltermans, *Likelihood of Confusion in Trademark Law: A Practical Guide Based on the Case Law in Community Trade Mark Oppositions From 2002 to 2012*, *The Law Journal of the Intellectual Trademark Association*, 103(5), [online] [2013] 1054. Available at: <https://heinonline.org/HOL/LandingPage?handle=hein.journals/thetmr103&div=31&id=&page=> [Accessed on 19 May 2024]

the goods and services are, moreover the degree of similarity between the two competitors' goods and services. It is conducted in the same standards as the similarity of signs, in which the examiner considers whether the degree of similarity between the signs at issue is either high, average, or low. Such as the case is with signs, the degree of the similarity of goods and services plays an important role in the global assessment of the likelihood of confusion.¹³⁸ Usually, it should be fairly simple to determine whether there is identity between the goods and services. However, it is more difficult to establish if the marks are similar and to what extent. In similarity assessment of the goods and services, there are a few factors that are taken into consideration which will be further discussed.

The Nice Classification system divides "all" the goods and services into certain classes which are signalled by numbers, a total of 45 numbers.¹³⁹ For example, there are multiple goods in the class 9, i.e., instruments for scientific purposes, safety and security apparatus and instruments, protective clothing, and robots. However, since some of the goods could potentially co-exist in two or even more classes depending on their nature and because there are new goods and services developed all the time, the Nice classes are not definitive or inclusive. The trademark applicants must further designate which goods within a certain class they want to have their marks to be registered for so that they would also minimize the potential of their mark being subject for revocation for non-use regarding certain goods or services.¹⁴⁰ Since no analysis of the potential actual use of specific goods or classes is conducted by the Office per se, there is a distinct potential for applicants to rely on over-classification of their marks, which means that the applications are sought for overly broad classifications, even if there is no intention to broaden the goods and services the business provides. It must be, however, noted that it is not always possible to determine beforehand how the line of products or services develops or broadens, which makes it difficult to ascertain *ex ante* which goods and services are provided in the future.

Even though there are classifications for goods and services provided in the Nice classification system, it does not automatically presume that similarity in terms of comparison of the goods and services is found, even though the goods and services are designated in the same class.¹⁴¹

¹³⁸ *ibid.* 1055.

¹³⁹ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 105.

¹⁴⁰ *ibid.* See also, IPO, *Cluttering and Non-Use of Trade Marks in Europe*, Intellectual Property Office Research Paper [2015] [online]. Available: <http://dx.doi.org/10.2139/ssrn.4095957> for further information in relation to dilemma of non-use of trademarks.

¹⁴¹ Paul Maeyaert and Jeroen Muyldermans, *Likelihood of Confusion in Trademark Law: A Practical Guide Based on the Case Law in Community Trade Mark Oppositions From 2002 to 2012*, *The Law Journal of the Intellectual*

The EUTMR Article 33(7) also provides that in the opposite scenario where the goods and services appear in different classes it does not automatically mean that the goods and services are dissimilar.¹⁴²

The CJEU has established factors which are, however, not exhaustive, to address the comparison of the similarity between the goods and services. The factors CJEU stated in its *Canon*¹⁴³ case are the nature of the goods and services, how they are intended to be used, the method of the use, how the goods are linked in commercial competition, and whether the goods are considered complementary to each other.¹⁴⁴ In addition to aforementioned factors, courts have also relied on other factors such as whether the goods have manufacturer, distributor or other source in common. It is common though that not all the factors are always taken into consideration. It is therefore quite different compared to the assessment of similarity of signs where the assessment always includes comparison of visual, aural and conceptual aspects.¹⁴⁵ What is important is that the link between the relevant factors in the examination sufficiently corresponds to finding similarity.¹⁴⁶

How the goods and services are comprised and how their nature appears physically is crucial in determining similarity of the nature.¹⁴⁷ The nature of the product corresponds to what the product actually is and how it is usually defined. In case the compared goods and services can be understood to belong to a narrow class heading or other narrow general indication increases the potential of finding the goods and services similar or even identical. For instance, bread and milk which appear in different classifications, respectively classes 30 and 29, they can both be characterized as food. The relatively minor connection signals some form of similarity.

Another subfactor within the nature of the goods is the components which build the product or service in question. For example, electrical appliances tend to have similar components and

Trademark Association, 103(5), [online] [2013] 1054. Available at: <https://heinonline.org/HOL/LandingPage?handle=hein.journals/thetmr103&div=31&id=&page=> [Accessed on 19 May 2024]

¹⁴² EUTMR Art. 33(7).

¹⁴³ Case C-39/97 *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1998] ECLI:EU:C:1998:442

¹⁴⁴ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 106.

¹⁴⁵ *ibid.* 107.

¹⁴⁶ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [2022] 859.

¹⁴⁷ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 108.

cheese and yoghurts are both made from milk.¹⁴⁸ Even though this subfactor should be taken into consideration it does not necessarily amount to the nature being similar. In an opposite approach where the goods and services are comprised of different ingredients it can be reasonably suggested that the products' nature is dissimilar.¹⁴⁹ Even the principle of how the goods operate can be taken into account in asserting the nature. Electrical and motor functioning goods have different principles of operation.¹⁵⁰

The intended purpose corresponds to questions such as what the goods and services are used for and what needs do they address.¹⁵¹ As an example, polishing substances for household metals and substances for cleaning waste plumbing did not have the same purpose, regardless of the fact that both are substances for cleaning something.¹⁵² The method of use is often an outcome of the nature and intended purpose of the goods and services. Therefore, it is of lesser significance compared to other factors. In fact, courts have very often left this factor out of the equation. Even if the methods of use are identical between two marks, it does not amount to determining similarity on itself, rather it requires more additional factors of similarity.¹⁵³

The General Court has defined that goods or services under comparison are in competition when the products can be replaced with each other. Moreover, they can be interchangeable. Often the products also embody similar purposes and are offered to the same group of customers.¹⁵⁴ However, when the goods and services are complementary to each other emphasis is placed on whether there exists a link between the two different products so that one of them is vital for the use of the other product in a manner which makes the consumers believe the source is the same economical entity. Naturally complementary goods are, for instance, hair lotions and applicators for hair lotions which appear in different Nice classes. Therefore, components that complement the other product so that it cannot be used otherwise amount to complementary goods.

¹⁴⁸ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 859-860.

¹⁴⁹ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 109.

¹⁵⁰ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 860-861.

¹⁵¹ *ibid.* 862.

¹⁵² Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 111.

¹⁵³ *ibid.* 115 and EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 862-863.

¹⁵⁴ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 869.

After Canon judgement, courts added the distribution of the goods and services as one of the factors. In such case the goods are offered through the same distribution channels, and they are available for the consumers at similar or the same places. This factor is, however, very dependent on the specific goods at issue since products are often sold and distributed quite similarly and an overall very common distribution channel does not necessarily amount to finding of similarity in this regard. The possibility of finding similarity increases if the products are sold at specified stores or at same sections at a generalized shop.¹⁵⁵ Naturally resulting from the functioning of likelihood confusion doctrine is another factor; the usual producer of the goods and services. It is quite natural that milk and cheese come from a dairy producer, which also indicates similarity.¹⁵⁶

Even though there is even a list of potential factors to consider in assessing similarity of the goods and services, their hierarchy and utilization is not always clear. EUIPO Guidelines have demonstrated some format of structure in determining their interrelation. The weighting of the specific factors should be evaluated case per case and their hierarchy depends on the goods and services in question. Generally, more highly valued factors are the nature and purpose of the products since they are indicators of why the consumers buy a certain product and what the product actually is and what are its qualities. Also, more highly valued are the complementarity of the goods because the factor does signal similarity of origin or source. Goods and services being in competition is another factor that is valued as a strong indicator since often there is a tendency that the purpose and relevant consumers are in common. Usual origin is another highly valued factor because of the essential function of trademarks indicating a certain origin.¹⁵⁷

2.4. Relevant Public

The CJEU has determined in its judgements in *Canon*, *SABEL*, and *Lloyd Schufabrik* that the likelihood of confusion, as well as the likelihood of association, exists when there is a threat of the public thinking that the two different goods or services at issue originate from the same entity or from otherwise economically connected entities. Further, it has been determined that in the likelihood of confusion assessment the role of how the relevant public perceives the goods or services in question is critical.¹⁵⁸

¹⁵⁵ *ibid.* 870.

¹⁵⁶ *ibid.* 871–872.

¹⁵⁷ *ibid.* 875.

¹⁵⁸ EUIPO Guidelines for Examination of European Union Trade Marks, Relevant Public and degree of attention. Available at: <https://guidelines.euipo.europa.eu/1935303/2042849/trade-mark-guidelines/1-introduction> [Accessed on 19 May 2024] C-251/95 *SABEL v. Puma, Rudolf Dassler Sport* [1997] ECLI:EU:C:1997:528

Naturally the process starts by defining the relevant consumers that are involved in a particular case. Next, the level of attention of the relevant public and also their level of sophistication must be evaluated case-per-case.¹⁵⁹ In order to establish relevant public, at least two aspects need to be taken into consideration. The territory of the earlier mark and characteristics of the goods and services in question. The relevant public is held as the public in the specific territory or territories in which the prior trademark rights are protected. So, in a European Union context the public is considered in the whole EU. The assessment of likelihood of confusion is always considered via the perception of the relevant consumers of the goods or services which are either similar or identical products. Because of the principle of perception, some consumers might be deemed specialised or professionals depending on the goods or services in question, at least compared to general public.¹⁶⁰

The terms used in this paper, such as the relevant public, relevant consumer and average consumer are considered in a similar sense. However, these should not be mixed with the general public or public at large since the general public may at some circumstances be too broad of a concept when considering, for example, goods or services that are targeted towards professional customers rather than general public. Therefore, average consumer depends on the goods or services in question and should also be used in relation to likelihood of confusion in the trademark law.¹⁶¹ If the goods or services are specialised, it also naturally depicts a relevant public that has specialist characteristics. This means also that the relevant public in this case is not the general public. When, conversely, the intended target group of the goods and services is all the consumers, the relevant public can be understood as the general public.¹⁶² To be clear with the essential terms described in this paper, the average consumer is understood as part of the relevant public or rather a representative of the relevant public.¹⁶³

When asserting the scope of the relevant public, it includes both the actual consumers but also the potential consumers of the goods and services. However, all of the public does not have to be confused in order to find likelihood of confusion, but rather if there are significant part of the relevant public that is likely confused, it will be sufficient to affirm likelihood of

Case C-39/97 Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc. [1998] ECLI:EU:C:1998:442

Case C-342/97 Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV [1999] ECLI:EU:C:1999:323

¹⁵⁹ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 902.

¹⁶⁰ *ibid.*

¹⁶¹ *ibid.* 901-902.

¹⁶² Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 170.

¹⁶³ *ibid.* 168.

confusion.¹⁶⁴ Instead, when reversing the proportion of the relevant public other way around, the situation can be more complex. The reflected question therefore arises that can there be likelihood of confusion when a significant part of the public might not be confused? An example of such scenario emerged when a world-famous footballer Lionel Messi applied for a graphical mark representing MESSI.¹⁶⁵ It was initially opposed and rejected through an opposition on the basis of an earlier mark MASSI. However, the GC and CJEU reverted the decision of the EUIPO deciding that MESSI's reputation and well-known character outweighed other close similarities in the likelihood of confusion test and that the relevant public would not be confused. In the case, a significant part of the relevant public was assumed¹⁶⁶ to be familiar with the famous footballer. Conversely, insignificant part of the relevant public that would not associate the mark MESSI with Lionel Messi did not amount to finding likelihood of confusion, even though EUIPO held that the part of the relevant public that would confuse the signs was not insignificant in their opinion.¹⁶⁷ This demonstrates that the determination of the significant relevant public is not always clear from an offset and the threshold of passing from insignificant to significant is dependent on the case.

The components of which an average consumer is made of is considered essentially in *Lloyd Schuhfabrik* where the CJEU held that

For the purposes of that global appreciation, the average consumer of the category of products concerned is deemed to be reasonably well-informed and reasonably observant and circumspect. [...] However, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should also be borne

¹⁶⁴ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 902.

¹⁶⁵ Agnieszka Sztoldman, The Lionel Messi Case: Trade Mark's Reputation Blurred with Personal Notoriety, *European Intellectual Property Review* 43, 6 [2021] 409. Available at:

https://www.researchgate.net/publication/350994582_The_Lionel_Messi_case_-_Trademark's_reputation_blurred_with_personal_notoriety [Accessed on 19 May 2024]

¹⁶⁶ "Assumed" meaning that substantiated evidence of the reputation was not required, rather taken as a fact or common knowledge.

¹⁶⁷ Agnieszka Sztoldman, The Lionel Messi Case: Trade Mark's Reputation Blurred with Personal Notoriety, *European Intellectual Property Review* 43, 6 [2021] 409. Available at:

https://www.researchgate.net/publication/350994582_The_Lionel_Messi_case_-_Trademark's_reputation_blurred_with_personal_notoriety [Accessed on 19 May 2024]

*in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question.*¹⁶⁸

Even though average is a mathematical term, the courts or the Office are not bound to deciding whether or not the statistical average consumer or a majority of the relevant class of consumers is likely to be confused. Instead, the courts and offices have to apply their own judgment and exercise the principle of proportionality in order to define the perception of the average consumer while also taking into account all other relevant circumstances so that the context of the signs at issue is not overlooked.¹⁶⁹ However, statistical evidence may be relevant in an infringement case, but in opposition proceedings the relevant public is not necessarily considered through substantial evidence, rather the average consumer is considered in a more abstract manner. Nevertheless, purely empirical evidence does not provide enough grounds to establish whether or not likelihood of confusion exists. Neither can there be a requirement set for a particular percentage of consumer association as a precondition for a mark to have protection. Courts or offices still have to adopt the perspective of the average consumer for a conclusive decision in addition to other relevant circumstances.¹⁷⁰ After all, the purpose of the evidence is to provide actual evidence of the consumer association while the trademark law requires only likelihood of confusion which does not have to indicate actual confusion. However, it must be noted that proof of concrete confusion can be deemed strong evidence favouring finding of confusion.¹⁷¹

Concerning the attention of the average consumer, and as demonstrated through general public and professional or specialised consumers, the term average corresponds to a consumer that is not neither gullible so that they critically lack characteristics of being well informed nor especially careful or a top performer in terms of being extremely well informed. Instead, the average consumer lies somewhere in between those two extreme ends. Average consumer has also been described as a legal benchmark with a standard perceptiveness to be applied to each case individually. However, it must be taken into account that even when an average consumer is determined in a case, not all the consumers that the average consumer is a representative of perceive trademarks similarly. On the contrary, average consumer depicts the broad spectrum of the consumers who have very different characteristics, might perceive trademarks

¹⁶⁸ Case C-342/97 Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV [1999] ECLI:EU:C:1999:323

¹⁶⁹ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 172-174.

¹⁷⁰ Graeme Dinwoodie and Dev Saif Gangee, *The Image of the Consumer in European Trade Mark Law*, Legal Research Paper Series 83, University of Oxford [2015] 9 and C-108/97 - Windsurfing Chiemsee [1999] ECLI:EU:C:1999:230

¹⁷¹ *ibid* 12.

differently and have varying purchasing habits.¹⁷² Even if the relevant public is deemed to have a higher degree of attention, it does not necessarily mean that no likelihood of confusion exists. Instead, as the case may be, a higher degree of attention by the relevant public may be offset by other relevant factors such as close similarity or even identity between marks or their respective goods or services.¹⁷³ Even though the overall assessment has been highlighted on many occasions, it cannot be stressed enough on this sub-section either. To add to the mix, when the relevant public has a twofold meaning, referring to the relevant public being both the specialised professional consumers but also the general public, there has been an understanding that the perceptiveness of the relevant public is evaluated through the view of the public that has the lower degree of attention. This results from the fact that if the consumer group that has generally a lower degree of attention would not be confused, there would not be confusion among the other group either since there exists a higher degree of attention.¹⁷⁴

Having addressed the average consumer as a legal benchmark or legally constructed hypothetical person there is a certain legal function that the average consumer corresponds to. This legal construct applies balancing to the interests of protecting consumers on one hand and promoting EU standards of free trade and competition in the market as well as proprietary rights on the other hand. While applying this construct, the legal landscape in the EU has a uniform approach which is also an objective one so that additional consumer surveys or data evidence does not necessarily have to be provided. Instead, the courts can utilize the notional legal concept of an average consumer.¹⁷⁵ This adoption of an average consumer plays a great role in opposition proceedings where the evidence may not be available at all since the marks at issue may not yet be used in the commerce effectively, at least often in terms of the latter mark applied for. In addition, it is not very distinct whether or not the average consumer should in fact resemble a statistical average consumer found through empirical analysis. At least in the infringement claims, this could provide more concreteness for decision-making, but perhaps there is utility available for registration proceedings as well.

¹⁷² *ibid.*

¹⁷³ EUIPO Guidelines for Examination of European Union Trade Marks, Part C, section 2 [online] [2022] 905-906.

¹⁷⁴ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 176.

¹⁷⁵ Graeme Dinwoodie and Dev Saif Gangjee, *The Image of the Consumer in European Trade Mark Law*, Legal Research Paper Series 83, University of Oxford [2015] 9

2.5. Distinctiveness of the mark / Strength of the mark

One of the core elements of likelihood of confusion assessment is the distinctiveness of a mark. Generally speaking, a strong mark i.e., a distinctive mark is more likely to provoke likelihood of confusion as per the case law of the CJEU.¹⁷⁶ Distinctiveness takes two approaches in the trademark law. One is when an earlier mark possesses high degree of distinctiveness either through acquiring such feature or inherently reflecting distinctiveness. The first means that the overall appearance and the context of the mark is taken into consideration in terms of the distinctiveness the mark possesses. The other approach considers laying attention to the distinctive characters that each of the signs at issue possess and when the marks are being compared to each other. A parallel use for distinctive characteristics in this regard is also defined as the dominant elements of the signs.¹⁷⁷ Inherent distinctiveness and its strength can also be measured as to the degree in which the sign corresponds to describing the goods or services the mark is depicted on, meaning that the inherently stronger the mark is, the further its secondary meaning or describing elements are from the goods or services provided.¹⁷⁸ The latter of the two approaches has already been discussed earlier in relation to the similarity of the signs. Even though the latter has already been discussed on earlier, we continue discussing both distinctiveness approaches in this sub-chapter.

Firstly, the legal framework in which the distinctiveness resides is essential. EUTMR Article 7(1)(b) and EUTMD Article 4(1)(b) dictate the absolute requirement for a trademark to possess some kind of distinctiveness. Moreover, that the marks cannot be "devoid of any distinctive character".¹⁷⁹ Further, the same Articles do address the issue the other way around. They say that marks cannot be exclusively descriptive, which at the same time suggests that the marks which are exclusively descriptive would not have any distinctiveness.¹⁸⁰ It is for the relevant authorities or courts to consider how the distinctiveness is found or not found. The inherent

¹⁷⁶ E.g. C-251/95 SABEL v. Puma, Rudolf Dassler Sport [1997] ECLI:EU:C:1997:528 where the CJEU stated that "A sign may have a particularly distinctive character either per se or because of the reputation the mark enjoys with the public. The more distinctive its character, the greater the risk of confusion". This results in finding both the inherent and acquired distinctiveness addressed in the case law.

¹⁷⁷ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 134.

¹⁷⁸ Barton Beebe and C. Scott Hemphill, *The Scope of Strong Marks: Should Trademark Law Protect the Strong More than the Weak*, Law & Economics Research Paper Series Working Paper No. 18-04 [online] [2018] 1346. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3073130 [Accessed on 19 May 2024]. An example of such a mark is "Apple" which does not correlate whatsoever with the goods or services they provide.

¹⁷⁹ EUTMR Art. 7(1)(b) and EUTMD Art. 4(1)(b)

¹⁸⁰ EUTMR Art. 7(1)(c)-(d) and EUTMD Art. 4(1)(c)-(d)

and acquired distinctiveness is not easily defined and even the CJEU has struggled to adapt a definition for these two, ultimately different perspectives of distinctiveness.¹⁸¹

Interestingly, the idea that the more distinctive a mark is, the more protection it should be granted has not been shaken by arguments such as consumers being able to recollect a distinctive mark more accurately, or even in detail, thus indicating that confusion is less likely.¹⁸² This argument has not made its break into the case law of the CJEU.¹⁸³ Instead, role of the distinctiveness has been emphasised by the CJEU and when a high degree of distinctiveness of a mark is at play, it could also compensate for a lower degree of similarity between marks and goods or services. However, this point of view should not be understood as meaning that no similarity is required then highly distinctive mark is considered. After all, there is a requirement that marks and goods or services must be similar, at least to some extent.¹⁸⁴

There has been criticism for the adoption of highly distinctive marks gaining more protection since very little justification for such a view has been provided. For example, emphasis has been put to consumer perception in terms of them not being able to accurately recollect marks and their small differences. Moreover, consumers do not often have a chance to compare the marks to each other during their purchasing situations. As discussed above, this argument has prevailed over the argued better recollection of consumers in connection with distinctive marks. Even though statistical evidence is not necessarily used in terms of the distinctiveness assessment, ultimately, in order to make the best decisions in a particular case it is a matter of concrete statistical evidence which could reflect the real-life situation of how consumers actually perceive distinctiveness. The statistical approach has not been broadly escalated which correspondently makes it difficult to assess the reality of the consumer perception of the distinctiveness. However, another argument supporting relationship of high distinctiveness and confusion suggests that when an entity has acquired high distinctiveness it can signal that goods or services they are providing originate from a large-scale or otherwise prominent enterprise that is more inclined to broaden its scope of goods or services offered to related goods or services. Therefore, indications that a large company might broaden its spectrum of provided goods or services to other "nearby" goods or services seems justified and understandably could incline towards confusion being found. Nevertheless, this argument

¹⁸¹ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 141.

¹⁸² *Ibid.* and Robert Burrell and Michael Handler, (Re)Claiming Trade Mark Protection, In G B Dinwoodie and M D Janis (eds), *Research Handbook on Trademark Law Reform*, Edward Elgar [2021] 21.

¹⁸³ *ibid.* 136.

¹⁸⁴ *Ibid.* 137.

only supports the acquired distinctiveness in terms of the goods or services, ignoring the inherent distinctiveness.¹⁸⁵

Additional criticism has been provided by Beebe and Hemphill who have argued that the conventional approach of stronger marks gaining broader scope of protection due to the increased likelihood of confusion due to their strength is flawed. They address the situation with strong marks, but especially in terms of very strong marks. It is suggested that the strongest of marks, such as Google or Amazon are so strong, and consumers are exposed to such marks on a regular basis through various means, that an average consumer is able to notice the slightest differences between such a strong mark and other similar marks.¹⁸⁶ They refer to the conventional approach as a *Kenner* doctrine which corresponds to a case in which mark strength was elaborated and explained in terms of being a justification in granting strong marks broader protection.¹⁸⁷ They propose an alternative model that suggests that stronger marks should not always be granted more protection. Further, very strong marks should instead gain lesser protection because their exceptional strength does not increase likelihood of confusion, but conversely, they reduce the likeliness for consumer confusion.¹⁸⁸

Inherent distinctiveness has been addressed in terms of fanciful or arbitrary marks through the low probability that another company would choose the same fanciful or arbitrary mark independently.¹⁸⁹ Even though, sometimes trademarks can be chosen in bad faith¹⁹⁰, there is a certain low probability that another company chooses the same mark. Bad faith means that applicant chooses a mark in awareness of the prior identical or sufficiently similar mark (plus additional other aspects taken into consideration in evaluating bad faith), However, one must also take into account the nature of the trademark universe, in which there are fewer and fewer

¹⁸⁵ Ibid. 137-138.

¹⁸⁶ Barton Beebe and C. Scott Hemphill, *The Scope of Strong Marks: Should Trademark Law Protect the Strong More than the Weak*, Law & Economics Research Paper Series Working Paper No. 18-04 [2018] 1340-1341.

¹⁸⁷ *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 351 (Fed. Cir. 1992)

¹⁸⁸ Barton Beebe and C. Scott Hemphill, *The Scope of Strong Marks: Should Trademark Law Protect the Strong More than the Weak*, Law & Economics Research Paper Series Working Paper No. 18-04 [2018] 1341.

¹⁸⁹ Robert G. Bone, *Taking the Confusion Out of "Likelihood of Confusion": Toward a More Sensible Approach to Trademark Infringement*, *Northwestern University Law review*, 106(3), [online] [2012] 1344. Available at: <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1105&context=nulr> [Accessed on 19 May 2024]

¹⁹⁰ Bad faith, as touched upon in this paper, most often corresponds to a scenario where, despite acknowledging a prior trademark right of an identical or similar mark, a company chooses to apply or just simply use an identical or a similar mark regardless of the prior proprietary right. Bad faith is also connected to bad intention, which in this scenario is an intention to gain profit or otherwise exploit the prior right or intention of only blocking the mark from others.

marks left for new entrants to choose from so the mere identity or confusing similarity is not sufficient in itself for finding bad faith. Nevertheless, in terms of fanciful or arbitrary marks, consumers are more likely to assume, due to the arbitrariness of the mark, that different goods or services bearing the same or similar mark originate from the same undertaking.¹⁹¹ Therefore, indications toward inherently distinctive marks being granted more protection could be justified in these terms.

Robert G. Bone has, however, raised a sceptical point that inherent strength does not have that much of a significance regarding the likely confusion.¹⁹² Instead, he argues that high distinctiveness can have a significant impact on confusion because of acquired distinctiveness rather than inherent distinctiveness. He boosts this argument by at the same time discussing how the acquired strength is difficult to relate to the likelihood of confusion through the reaction or a secondary meaning a mark has on the consumers. And, in the quantitative sense, determining the threshold for a number of consumers to be taken into consideration and how the levels of confusion are measured is complicated. He then notes that acquired distinctiveness does correspond to another non-confusion related aspect of harm caused to the proprietor of a mark that has acquired strength. The greater the distinctiveness the mark possesses, and the more potential consumers are affected by a potential confusion, the greater the harm caused by such a confusion is in response. In essence, his analysis suggests that the acquired strength is evaluated more through harm than the probability of consumer confusion and that also serves as a justification for assessment of distinctiveness.¹⁹³

Another interesting aspect, which revolves around the topic of this thesis, is how the strength of a mark is affected by third-party uses of similar marks. It can be suggested, as is argued in this paper, that distinctiveness is affected by third-party uses of similar marks in a way that the distinctiveness is lower when there are more similar marks on the market. McCarthy has reasoned that each mark's scope of protection is smaller when there are more similar marks on similar goods.¹⁹⁴ Timothy Denny Greene and Jeff Wilkerson also point out that there exists an economic reasoning according to which there are high costs of entry for new market entrants being excluded when similar items/terms/characteristics are already at play on multiple third-party marks. This can be understood to outweigh the consumer benefits in cases where there is only one company using that mark and no others using similar or the same

¹⁹¹ Ibid. and Robert Burrell and Michael Handler, (Re)Claiming Trade Mark Protection, In G B Dinwoodie and M D Janis (eds), *Research Handbook on Trademark Law Reform*, Edward Elgar [2021] 21. In which the authors address this in terms of distinctiveness of well-known marks.

¹⁹² Ibid. 1344-1346.

¹⁹³ Ibid.

¹⁹⁴ Thomas McCarthy, *Trademarks and Unfair Competition*, § 11:85, 4th ed. [2017]

mark.¹⁹⁵ Fhima and Gangee promote this perspective saying that when numerous similar marks exist on the relevant market, the marks' ability to gain attention of consumers can be compromised.¹⁹⁶ However, EU courts have found it difficult to take on this assertion. GC held that the mere existence of similar marks (or marks which possess an identical characteristic) may not be sufficient to show that the marks have a lower degree of distinctiveness – even with a high volume of third-party uses.¹⁹⁷ They addressed the issue by requiring that the marks are used in a closely similar fashion as the earlier mark (which is under the proceedings). Further, that the word elements, figurative elements and their presentation are sufficiently close to each other. In addition to the marks being closely similar, the marks must also be depicted on the same goods or services.¹⁹⁸

It must also be added that as a critique for the suggested crowded field argument prevailing in the opposition proceedings, the real usage of the additional marks on the market has to be shown since often the marks registered are not used in commerce which results in failing to reach the consumers, therefore excluding the assessment of consumer confusion.¹⁹⁹ However, GC did note that in certain cases there could be coexistence of marks on the market (suggesting crowded field of marks to some extent) that could reduce the likelihood of finding confusion. This has been made even more complicated by their following sentences requiring that the applicant demonstrates that the coexistence is absent of any likelihood of confusion and the marks concerned are identical.²⁰⁰

It seems very odd that there is a requirement of marks coexisting being also identical in order for (in certain cases) there be lowered likelihood of confusion, and at the same time there should not be any likelihood of confusion between the marks coexisting, which in addition must be demonstrated by the applicant. Complex situation or an exception per se has been made relatively difficult to assert in terms of these parameters. When the requirement for goods or services being the same – as discussed in another case above – is applied to the equation, the dead end might have been reached. Then EU trademark law quite curtly

¹⁹⁵ Timothy Denny Greene and Jeff Wilkerson, *Understanding Trademark Strength*, *Stanford Technology Law Review*, 16(3) [online] [2013] 572-573. Available at:

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2208838 [Accessed on 19 May 2024]

¹⁹⁶ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [online] [2019] 146.

¹⁹⁷ Case C-655/11 P *Seven for all mankind v Seven* [2013] ECLI:EU:C:2013:94

¹⁹⁸ *Ibid.*

¹⁹⁹ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [online] [2019] 146.

²⁰⁰ Case T-31/03 *Grupo Sada v OHMI* [2005] ECLI:EU:T:2005:169

proposes a double identity provision which can be even more difficult to overcome by the applicant compared to likelihood of confusion assessment.

There are also contradictory approaches to the effect of third-party use of similar marks in respect to mark's strength. While Fhima and Gangee have pointed out a reasoning that inherent distinctiveness can be lower when there are third-party usage of similar marks, Greene and Wilkerson have stated that the third-party usage, and consequent lesser protection, does not depend on the mark's inherent distinctiveness/strength.²⁰¹ Even though, the two pairs of scholars do generally consider different legislative frameworks in their works, EU and US respectively, there are similarities on the trademark laws of both and when the strength of a mark is assessed, the strength is not dependent on the jurisdiction as much as the perception of the consumers of those marks. Mark's strength can be suggested as globally quite similar because of the consumer perception which results from people having similar abilities and attention, therefore indicating that people tend to perceive strong elements similarly. In relation to EU and the US the consumers', their abilities can be assumed rather identical in this regard. However, it seems that inherent distinctiveness does play a role in this matter since one of the reasons for evaluating inherent distinctiveness is the mark's ability to distinguish itself from the others, meaning that the mark is distinctive. However, their ability to stand out on the market is compromised when multiple third parties use similar marks. The adoption of inherent distinctiveness in this regard (as described and referred to in this thesis by multiple scholars) is not comprehensive since "inherent" signals something that is internal to the mark. However, marks do not exist in a vacuum in this sense, rather they are part of a web of trademarks in which they often do come across each other and a possible conflict may arise. Therefore, factors that exist outside the immediate proximity of the mark also play a role in assessing the strength of the mark even in terms of "inherent distinctiveness".

This chapter has established the ground rules of likelihood of confusion and how all the factors of the likelihood of confusion assessment are taken into consideration in the European Union registration process and in the opposition proceedings. Important elements such as the similarity of marks and goods or services as well as the strength of the marks provide essential information on how the process is conducted. The elements also provide necessary information on how crowded field trademarks may be defined and what kind of factors are to be concerned in opposition proceedings. The chapter has set the legislative grounds for the

²⁰¹ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 146. And Timothy Denny Greene and Jeff Wilkerson, *Understanding Trademark Strength*, Stanford Technology Law Review, 16(3) [online] [2013] 572-573. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2208838 [Accessed on 19 May 2024]

assessment of marks when they are applied for and potentially subsequently opposed. Because relative grounds for refusal only takes place in the opposition proceedings, it creates an opening for new applicants to enter already crowded fields if their registrations are not opposed. As was discussed, the system is built in a way that allows new market entrants to register similar sign in connection with similar goods or services as other already registered marks. The system emphasises the importance of an active monitoring of new applications by the proprietors of prior marks. Otherwise, new applicant may be able to enter already crowded fields of trademarks. However, it must be noted that when there are more proprietors of similar marks, there are even more potential opposers of new applications. It is yet unclear if the likelihood of confusion analysis has become less strict, but the following chapter will further analyse how likelihood of confusion analysis in connection with potentially crowded field marks has been conducted. Furthermore, the paper will investigate whether crowding can be observed through the register.

Next, the crowded field will be analysed in connection with its relation to congestion of marks and how may the crowded field be further defined. The following chapter provides more concreteness through reference from the US cases which provide useful factors to be taken into concern when analysing cases involving crowded field elements. Further, possible reflections and reasons for the phenomenon are being examined in addition to other elements in the trademark law potentially related to the crowded field argument. Finally, the next chapter will analyse the potential utilisation of the crowded field as an argument in the EU opposition proceedings.

3 CONGESTION OF MARKS / CROWDED FIELD

3.1. Concept and background

A crowded field in trademarks may be defined in many alternatives. Considering the term literally, a certain field has high number of operators. Alternatively, especially in connection with trademarks it is commonly defined as many similar marks in a certain field or class of goods or services so that the economical operators seek to apply for the only remaining spaces there are left in a way that the certain class of goods or services starts to reflect the characteristics of a crowded field of trademarks.²⁰² This is the established definition of the

²⁰² Barton Beebe and Jeanne C. Fromer, Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion. *Harvard Law Review*, [online] 131(4), [2018]. 1024. Available at: <https://harvardlawreview.org/wp-content/uploads/2018/02/945-1045.pdf> [Accessed on 19 May 2024]. See also J. Thomas McCarthy, *Trademarks and Unfair Competition*, § 11:85 4th ed. [2015].

crowded field as a phenomenon. This phenomenon at least as a term has originated from the United States, where tribunals have demonstrated that this element may intervene with the likelihood of confusion test in registration and opposition phase. Since one of the focus points of this paper is to address whether this phenomenon could fit the European Union opposition proceedings and application of the trademark legislation, examination should be started with a reference to the US framework because of the phenomenon's origin and advances made in the US before EU. However, it must be noted that specific comparison between the two frameworks is not of the essence of this paper, instead, the aim is to provide some premise in order to understand the phenomenon better and detect factors that are relevant in connection to crowded field marks.

US courts have evaluated likelihood of confusion through a multifactor test which has evolved through time, and it has had some variations depending on the circuit courts that make the decisions.²⁰³ Most prominent of all the factors in the perspective of this paper is "the number and nature of similar marks in use on similar goods" which is often referred as the sixth *Du Pont* factor.²⁰⁴ Basically this factor demonstrates some kind of crowded field of trademarks which is highly relevant for the agenda of the thesis. However, it is not entirely clear in which situations this is considered as a positive or a negative factor on the perspective of the applicant. After all, the sixth Du Pont factor may also be understood as contradictory to the fundamental functions of trademarks and the likelihood of confusion analysis, at least as seen from EU perspective. This would mean that the higher the number of similar marks in use on similar goods there is, the more likely it is to find likelihood of confusion as per the EUTMR.

In the registration proceedings, United States Patent and Trademark Office conducts its examination of likelihood confusion also based on the prior registrations. Moreover, "in the *ex parte* examination of a trademark application, a refusal under § 2(d) is normally based on the examining attorney's conclusion that the applicant's mark, as used on or in connection with

²⁰³ Robert G. Bone, Taking the Confusion Out of The "Likelihood of Confusion": Toward a More Snsible Approach to Trademark Infringement, *Northwestern University Law Review*, Vol. 106, No. 3 [2012] 1316-1336 Available at: <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1105&context=nulr> [Accessed on 19 May 2024] See also Barton Beebe, An Empirical Study of the Multifactor Tests for Trademark Infringement, *California Law Review* [2006] Available at: <https://bartonbeebe.com/documents/Beebe%20-%20Multifactor%20Tests.pdf> [Accessed on 19 May 2024] both of which revolve around infringement cases, but take into account the listing of relevant factors to be considered in the likelihood of confusion test, i.e. "the similarity of the marks, the proximity of the goods, evidence of actual confusion, and the strength of the plaintiff's mark". There are additional factors which are utilized by different courts. It is notable that three of the four listed factors in infringement cases are also essential in assessing the likelihood of confusion in the registration proceedings in the EU as well.

²⁰⁴ *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973)

the specified goods or services, so resembles a registered mark as to be likely to cause confusion".²⁰⁵ EUIPO on the other hand, does not conduct its likelihood of confusion assessment in terms of relative grounds for refusal *ex officio*, instead, it only takes this aspect into consideration through potential opposition proceedings.²⁰⁶

Another notable difference between EU and the US is that in the US it is required to show use of the mark. However, in EU a demonstration of usage or intention to use is not required prior to the registration.²⁰⁷ Nevertheless, EU does have a proof of use doctrine within its registration phase *per se*, which means that in the opposition proceedings the applicant may request the owner of an earlier mark to provide proof of use within a five-year time period.²⁰⁸ Moreover, outside of the opposition proceedings, mark may be subject to cancellation, if genuine use is not demonstrated.²⁰⁹

In addition to aforementioned, the way in which EU and US marks are evaluated in their registration differs in terms of the concreteness of the actual usage. As previously mentioned, the evaluation of the relative grounds for refusal in EU is conducted in abstract i.e., that only the application for registration is taken into account, while actual usage cannot be taken into account. This means that the focus is quite limited to how the later applied mark is conveyed in its application for EUTM. In the US, at least according to the multifactor and DuPont test, this is not the case. There is a demonstration of multiple factors which concern actual usage such as "the nature and extent of any actual confusion" and "established fact probative of the effect of use".²¹⁰

It has been established that despite the similarities within the trademark systems, some differences that are crucial in terms of registration proceedings and, moreover, in the likelihood of confusion assessment, are evident. The evaluation of these differences in terms of crowded field argument will be conducted more in detail later in this chapter.

As described, crowded field as an argument relates to registration and opposition proceedings, while crowded field as a phenomenon is a more general view of the current state of a certain

²⁰⁵ Trademark Act 15 U.S.C § 2(d) and USPTO, Trademark Manual of Examining Procedure (TMEP), [2022] Available at: <https://tmep.uspto.gov/RDMS/TMEP/current#/current/TMEP-1200d1e1.html> [Accessed on 19 May 2024]

²⁰⁶ EUTMR Art. 8(1)(b).

²⁰⁷ Annette Kur, Convergence After All? A Comparative View on the U.S. and EU Trademark System in the Light of the "Trade Mark Study", *Journal of Intellectual Property Law* 19(4) [2012] 6.

²⁰⁸ EUTMR Art. 47(2).

²⁰⁹ EUTMR Art. 18(1).

²¹⁰ *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ (CCPA) [1973] factors 7 and 13.

field. Crowded field as an argument may be seen as a legal norm which is used to analyse likelihood of confusion in situations of similarity. However, it is uncertain whether the argument can be used as a supportive argument in favour of a mark applied for in the opposition proceedings and on which conditions. It must be noted that generally speaking, trademark law in the EU addresses the similarity of signs and products of prior marks as a factor that increases likelihood of confusion.²¹¹

Moreover, in terms of the crowded field argument it is necessary to review how the law has demonstrated this effect and how it is formulated. It should be bear in mind that the assessment of likelihood of confusion is conducted on a case-by-case basis as was described earlier. Nevertheless, distinctive evidence of the crowded field argument in action can be identified in the case law in the US. A short review of US case law will provide more concreteness for an assessment of the crowded field in EU.

3.2. Examples of crowded field in the US case law

In the case *In re Garan Services Corp.*²¹² the applicant sought for a registration of a mark MATCH STUDIO for tops and bottoms. Trademark Office, however, refused the registration based on prior registrations of MATCH and a composite mark consisting of a word element of MATCH and a figurative element. The prior marks offered clothes for babies, children, women, and men.²¹³ In the appeal, Trademark Trial and Appeal Board focused on the word elements depicted by the applied mark and the prior marks, leaving out the figurative element because of its difference. TTAB noted that the goods were at least in part identical, which favours finding of confusion. On the other hand, the Board evaluated the sixth Du Pont factor and considered how distinctive or descriptive the mark is. If there are evidence of a relatively large number of similar marks with similar goods, that has an effect on the degree of descriptiveness and the strength of the mark. The applicant provided evidence of use of similar marks on similar goods which amounted to 55 third-party registrations that involved the word MATCH for clothing products. This demonstrates that the mark is highly descriptive or at least suggestive in terms of the goods in question and "travel in a crowded field".²¹⁴

Even though the crowded field element according to the sixth DuPont factor indicated no confusion in the case, the tribunal also assessed the similarity of the signs in question. The examining attorney had evaluated earlier that the word MATCH was dominant, but the TTAB

²¹¹ EUTMR Art. 8(1)(b)

²¹² *In re Garan Services Corp.*, No. 88674888, TTAB [2001]

²¹³ *ibid.*

²¹⁴ *ibid.*

overturned this and decided that both MATCH and STUDIO were in fact suggestive and possessed equal weight. However, it was notable that the addition of STUDIO was sufficient to distinguish the two marks at conflict from each other, therefore, finding no confusion among the marks in the end.²¹⁵ So, crowded field argument played a role in this decision, even though other side of the decision considered the substantive similarity comparison among the signs. This is one of the more relevant cases in which the sixth DuPont factor has indicated positive outcome for the applicant.

In another case Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA sought to apply for a mark consisting of a figurative element of a paw print (below) for clothing, accessories and footwear goods.



Figure 1 Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA Application No. 77/823,794

They were then opposed by a registered mark owned by New Millennium which depicted a paw print and a word element of KELME.



Figure 2 New Millenium Application No. 1,856,808

Jack Wolfskin denied confusion between the marks and claimed for a cancellation of New Millenium's KELME mark in response based on abandonment. The TTAB refused cancellation claim and sustained the opposition, therefore refusing Jack Wolfskin's application. The Federal Circuit Court, however, overturned the Board's finding of likelihood of confusion based on incorrect comparison of the marks, moreover, based on the evidence

²¹⁵ *ibid.*

of third-party use of similar marks with similar goods. The Court seconded the Board's refusal of cancellation based on abandonment.²¹⁶

The Board had determined that the evidence of number of and nature of similar marks in use was a neutral factor, not favouring any side of the likelihood of confusion. The Board also decided that the figurative element was of more importance compared to the verbal element, which was the most different aspect between the marks. Board noted that the paw print is often depicted on the goods alone, without the verbal element, which in the judgement by the Federal Circuit Court was not conclusively established. The Court emphasised that the Board erred in not considering all the substantive elements and the marks as a whole, including taking into account the substantive verbal element, therefore wrongly finding likelihood of confusion in terms of the similarity of the marks.²¹⁷

In regard of the third-party usage, Jack Wolfskin provided an extensive number of evidence supporting the use of paw print figurative elements in connection with clothing. However, the Board had mostly refused these examples and declared the evidence neutral in terms of likelihood of confusion. They further explained that there was no conclusive evidence of actual use of the marks in commerce. Given the volume of evidence provided by the appellant, the Court determined that extensive evidence of use of paw prints signals that consumers are not as likely confused by similar looking paw prints. This is supported by case law which has addressed this issue stating, e.g., that voluminous evidence is "powerful on its face" regardless of the lack of evidence of particular use in commerce. Hence, Court determined there being a suggestive and descriptive meaning behind the marks at issue to which also the consumers of such goods were accustomed to so that they are able to distinguish marks from each other based on smaller differences. The Court then established the Board's decision on the likelihood of confusion to be reversed.²¹⁸

The significance of this judgement is seen as another piece of evidence which points toward the evidence of third-party usage being able to tip the scales of the likelihood of confusion assessment in favour of the applicant and that similar marks may be registered. However, this time it was not that conclusive in terms of the actual usage of those third-party marks. Nevertheless, this judgement stretched the exception further by not necessarily demanding conclusive evidence on the actual usage, because the overall evidence was so extensive. The fact that the Court had determined extensive third-party usage as a factor that lowers the

²¹⁶ *Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA v. New Millennium Sports, S.L.U.*, 797 F3d 1363, 116 USPQ2d (Fed. Cir.) [2015]

²¹⁷ *ibid.*

²¹⁸ *ibid.*

likeliness of confusion (consumers are not as likely confused by similar looking paw prints) is significant. This further implicates that a crowded field incorporating extensive number of third-party marks may support denying likelihood of confusion.

In the third example from the US, Juice Generation applied for a trademark registration of a mark which involved word mark PEACE LOVE AND JUICE added with a graphical element in goods and services relating to juice bars. It was opposed by GS Enterprises on the account of their prior registration of family of marks, inter alia, consisting of term PEACE & LOVE in restaurant services category. TTAB accepted the opposition based on likelihood of confusion and therefore refused the registration of Juice Generation's mark.²¹⁹

However, the Federal Circuit Court deemed that the Board had failed to correctly assess the strength/weakness continuum of the mark of the opposition as well as failed in the consideration of the applicant's mark as a whole. The Court based the lack of consideration of the applicant's mark as a whole on arguments reflecting that while the Board evaluated that the PEACE LOVE is dominant part of the combined word element which was practically identical to the opposition's mark, the additional element of JUICE was left with insufficient examination by the Board. The Board had held that "the additional disclaimed word 'JUICE' ... do[es] not serve to sufficiently distinguish" that mark from the GS Enterprises' mark.²²⁰

On account of the number of third-party uses, the Board had erred in discounting the evidence of third-party usage that the applicant provided. Board based the discounting on the lack of commercial specifics provided regarding i.e., the extent of use, therefore also resulting in the lack of evidence of the impact it had on the relevant public. The Court, however, highlighted that the Board did not give adequate emphasis for the evidence provided by the applicant. The evidence provided was extensive and "nonetheless powerful on its face" as was pointed out in the previously described case as well. It was added that third-party registrations do have relevance in terms of providing indications of a field encompassing a descriptive or suggestive meaning which also signals that the particular field is relatively weak because of that. There was no assessment of the degree of the strength of the mark based on the evidence provided, which ultimately led to Court remanding the case back to the Board based on error in finding likelihood of confusion on the grounds the Board had stated.²²¹ Even though this is another similar example to previously addressed case, it provides an important replication of the

²¹⁹ *Juice Generation, Inc. v. GS Enters LLC*, 794 F.3d 1334, 115 USPQ2d (Fed. Cir.) [2015]

²²⁰ *ibid.*

²²¹ *ibid.*

application of the sixth DuPont factor. However, there are many other cases which involve similar questions.²²²

What is of the essence in the sixth DuPont factor is that the extent of use of the third-party marks in connection with similar goods is something that is seen as compelling in terms of tipping the scale towards finding no confusion. However, even without extensive evidence supporting specific use, the mere registrations of those third-party marks or some captions of them being used somehow in relation to commerce may suffice to find no likelihood of confusion. This agenda has been emphasised by for example, a US scholar Rebecca Tushnet who has argued that "courts should be willing to dismiss cases where a field is crowded and the similarities between the plaintiff's and defendant's marks are no greater than the similarities between the plaintiff's mark and other marks"²²³ This can be reasonably expected to reach out to opposition proceedings where similar or at least almost similar aspects are considered.

Nevertheless, one should bear in mind that even though likelihood of confusion analysis is conducted on a case-by-case basis by considering all relevant evidence according to the DuPont factors, it is not necessary to consider all the factors, especially those that have little or no relevance or significance reflecting the case. In addition, there is no distinct hierarchy between the factors, instead it depends on the circumstances of each case. Even a single factor may be regarded dominant in a particular case.²²⁴ Overall, according to the case law a higher number of similar marks in connection with similar goods or services favours finding no confusion, of course, depending on the degree or extent of the evidence.

High number of similar third-party signs in connection with similar goods or services can be naturally interpreted as a crowded field of trademarks. Basically, the high number of third-

²²² Just to list a few: *Midnight Velvet, Inc. v Sabre Retail Fashion Limited*, No. 91223400, TTAB [2017], *In re FabFitFun, Inc. v USPTO*, No. 86847381, TTAB [2018], *In re Boston Juicery, LLC*, No. 86877537, TTAB [2018], and *Tektronix, Inc. v. Daktronics, Inc.*, 534 F.2d 915 [189 USPQ 693] (CCPA) [1976]. Even a more recent decision in the case *Spireon, Inc. v. Flex Ltd.*, No. 2022-1578 (Fed. Cir.) [2023] considered the aspect and interestingly the decision made it easier for the defendants/applicants to weaken a prior owner's trademark with showing of third-party marks. If a defendant/applicant shows third-party marks in attempt to prove that the opposing party's registration are weak, the opposing party bears the burden of proof that the third-party marks are not in use. This is a first case that considers burden of proof in this manner, but it may cause a significant shift towards favouring the applicant in cases related to crowded field argument in the US.

²²³ Rebecca Tushnet, *Registering Disagreement: Registration in Modern American Trademark Law*, *Harvard Law Review* (130) [online] [2016] 929. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2735013 [Accessed on 19 May 2024]

²²⁴ *Stratus Networks, Inc. v. UBTA-UBET Commc'ns Inc.*, 955 F.3d 994, 2020 USPQ2d 10341, at *3 (Fed. Cir.) [2020]

party marks and crowded field marks can be understood as synonyms for each other. Previously addressed cases are a demonstration of the crowded field acting as an argument supporting the applicant. It is evident that if the crowded field argument denies finding of the likelihood of confusion, it may lead to similar marks being registered and consequently crowding the field even further.

3.3. Possible reflections and reasons for the phenomenon

Crowded field as a phenomenon seems to reflect the overall trend of expanding and growing trademark universe. The reflection stems from the fact that there are more and more trademarks registered or otherwise used almost regardless of the territory they are effective in. It is rather natural that there are more marks being used in commerce since the world is more global and there are growing number of people as consumers to these products incorporated with trademarks.

The conventional assumption behind trademarks, which has been somewhat uncontested for long, suggests that there is an infinite number of available trademarks for companies to choose their trademarks from.²²⁵ Mathematically considering, there exists almost an infinite number of different combinations of, *inter alia*, letters, numbers, colours or shapes for companies to choose their trademarks from - at least broadly speaking. While the tautological assumption of endless possibilities without a doubt stands, it has been addressed that the functionality of trademark dimension's infiniteness in terms of the competitiveness of a mark is not as sound as it may seem. Inexhaustibility of trademarks has been compared to a statement that "numbers are infinite". However, that is still trivial considering the fact that humans have limited cognitive and communicative qualities.²²⁶ Not to mention that the average consumer's attention span and other qualities come to play in the likelihood of confusion assessment.

Barton and Fromer had conducted an empirical study in which they argued that the short and common wordmarks are becoming depleted and congested. In addition, they argued that the trademarks, at least competitively effective ones, are exhaustible. The statement was boosted by highlighting that the shorter trademarks are understood as more efficient than their longer counterparts. Moreover, it was already perceived in the 1930s that the more commonly used

²²⁵ See e.g., William M. Landes and Richard A. Posner, *Trademark Law: An Economic Perspective* [1987] 274.

²²⁶ Barton Beebe and Jeanne C. Fromer, The problems of trademark depletion and congestion: some possible reforms, in *Research Handbook on Trademark Law Reform* 17 (Graeme B. Dinwoodie and Mark D. Janis, eds., Edward Elgar Publishing) [2021] 17.

words are frequently shorter than compared to less commonly used terms.²²⁷ In addition, memory and recognition is limited to the amount of information which correlates to the length of verbal elements, therefore also indicating that shorter words are more easily remembered.²²⁸

Beebe and Fromer address the issue of competitively effective marks in terms of trademark depletion and congestion which are altogether seen as effects of the same realm. Trademark depletion meaning that there are fewer potential trademarks that are not yet claimed by anyone and congestion meaning that there are ever-growing number of similar marks held by multiple different owners.²²⁹ This being said, it should be understood that trademark depletion does not provide decreasing of number of potential marks that are available for registration as an absolute. This is a result from the fact that in certain circumstances it is possible for an applicant to gain a registration for a mark that has already been acquired by someone else, albeit most likely in connection with different goods or services. In a larger spectrum, depletion can also mean the depletion of word marks regarding all imaginable word marks in connection with all the classifications of the goods or services. However, depletion can be perceived through specific classification of trademarks as well.²³⁰

Because a mark being registered does not necessarily mean there cannot be another owner of a similar or identical mark in relation to goods or services that are different, there can potentially be identical mark used in every class (and even within the same class) by different entities. This is the meaning of congestion in a broader sense. However, there is a more severe

²²⁷ George Kingsley Zipf, *The Psycho-Biology of Language*, The M.I.T. Press [online] [1935] 29. Available at: https://www.iqla.org/includes/basic_references/Zipf_1935_1965_Psycho-Biology_Language.pdf [Accessed on 19 May 2024]

²²⁸ Alan D. Baddeley, Neil Thomson and Mary Buchanan, *Word Length and the Structure of Short-Term Memory*, *Journal of Verbal Learning and Verbal Behavior*, 14. [online] [1975] 586. Available at: <https://labs.la.utexas.edu/gilden/files/2016/03/1-s2.0-S0022537175800454-main.pdf> [Accessed on 19 May 2024]

²²⁹ Barton Beebe and Jeanne C. Fromer, *The problems of trademark depletion and congestion: some possible reforms*, in *Research Handbook on Trademark Law Reform 17* (Graeme B. Dinwoodie and Mark D. Janis, eds., Edward Elgar Publishing) [online] [2021] 17. Available at: https://books.google.fi/books?id=9sIpEAAAQBAJ&pg=PA17&lpg=PA17&dq=%22barton+beebe%22+%22the+problems+of+trademark+depletion%22&source=bl&ots=zEUOroxqHM&sig=ACfU3UoDSO-EoFv-foWoDinK-bNEZZT5FA&hl=en&sa=X&ved=2ahUKEwi9ypX4gP_1AhXl-ioKHchGDXQQ6AF6BAgMEAM#v=onepage&q=%22barton%20beebe%22%20%22the%20problems%20of%20rademark%20depletion%22&f=false [Accessed on 19 May 2024]

²³⁰ Barton Beebe and Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion* [2018] 978.

situation in terms of trademark congestion and costs it might cause when the same or similar mark is used within a certain class by multiple owners.²³¹

Beebe and Fromer examined the overall of around 7 million trademark applications in the US from over 30-year time span in comparison with the most commonly used words in the English language.²³² In addition, other datasets were utilized from domain names and actions taken in trademark office. The data they put together demonstrated that trademark congestion and depletion has gotten worse over the years and on some areas of classification, it has risen to worrying heights.²³³ For instance, of the 1000 most commonly used English adjectives or nouns 839 were acquired in 2016 by an average of 7.4 unaffiliated entities that had an active single word registration.²³⁴ When this demonstration was taken further in terms of 1000 most commonly used adjectives or nouns that were included within an active registration, the frequency elevated. In those parameters also other uses of the most commonly used words were included in addition to considering only single word marks. The data revealed that in 2014 all the listed 1000 adjectives and nouns were used within the acquired registrations with an average of 745.2 different registrants.²³⁵ Concerning the agenda of this paper, within a single class there were voluminous number of registrations of single word marks, at least within the most broad or crowded classes which amounted to almost 3 registrations of the identical word marks in 2015 within the same class in the class 9 for clothing.²³⁶ However, it should be noted that merely being in the same class does not necessarily indicate confusion, especially considering classes that are broad and consist of multiple different types of goods or services.

Even though Beebe and Fromer initially studied the trademark depletion and congestion in the US context and the numbers provided corresponded to the US, Beebe stated that the situation in the EU is even worse.²³⁷ In connection with cluttering of trademark registers, von Graevitz et al. showcased that there also exists a great number of excessively broad trademarks

²³¹ *ibid.* 1012-1013.

²³² Barton Beebe and Jeanne C. Fromer, The problems of trademark depletion and congestion: some possible reforms, in *Research Handbook on Trademark Law Reform 17* (Graeme B. Dinwoodie and Mark D. Janis, eds., Edward Elgar Publishing) [2021] 18.

²³³ *ibid.*

²³⁴ Barton Beebe and Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion* [2018] 1015.

²³⁵ *ibid.* 1015-1016.

²³⁶ *ibid.* 1017.

²³⁷ Barton Beebe, at the Annual Sir Hugh Laddie Lecture [online] [2021] Available at: <https://www.youtube.com/watch?v=czJ4GnkVYsE> [Accessed on 19 May 2024]

or unused trademarks.²³⁸ The complexity of the situation is even greater since there are 24 official languages concerned in the EU with transnational trade add to the mix²³⁹. New applicants must consider similar marks across all the languages in order to avoid, for example, identity and similarity as well as offensiveness, genericness or descriptiveness.²⁴⁰ Therefore, considering all of the official languages makes it more difficult to register marks EU wide. A registration in one language might result in a broader scope beyond just the word at issue in one language.²⁴¹ The assumption of depletion and congestion in the EU seems founded. When comparing the US registration proceedings and the EU proceedings there is a distinct element which impacts the number of registrations and indirectly affects depletion and congestion. In the US there is more distinct requirement of usage or intention of usage of trademarks²⁴², while in the EU no usage is required prior to the registration. As mentioned earlier in this chapter, EU does not have a proof of use doctrine within its registration phase per se. Instead, in the opposition proceedings the applicant may request the owner of an earlier mark to provide proof of use within a five-year time period.²⁴³ This ultimately renders some limitation to the blatant registrations that are actually not used even though that provision is dependent on the opposition being filed in the first place.

In their research, Beebe and Fromer noted the potential of trademark depletion and congestion leading towards crowded fields of trademarks.²⁴⁴ Considering the aforementioned, the scholarly literature has not specifically pointed out a clear connection between crowded field of trademarks per se and the crowded field argument based on the sixth DuPont factor, but the evidence from ever growing trademark universe and the tribunals' application of the

²³⁸ Georg von Graevenitz, and Christine A. Greenhalgh, and Christian Helmers, and Philipp Schautschick, Trade Mark Cluttering: An Exploratory Report, Intellectual Property Office Research Paper No. 2012/11 [online] [2015] Available at: <http://dx.doi.org/10.2139/ssrn.2710618> [Accessed on 19 May 2024]

²³⁹ Barton Beebe, at the Annual Sir Hugh Laddie Lecture [online] [2021] Available at: <https://www.youtube.com/watch?v=czJ4GnkVYsE> [Accessed on 19 May 2024]

²⁴⁰ EUTMR Art. 7(1)–(2)

²⁴¹ Barton Beebe and Jeanne C. Fromer, The Future of Trademarks in a Global Multilingual Economy: Evidence and Lessons from the European Union, Trademark Reporter 112(23-31) [online] [2015] 939. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4309005 [Accessed on 19 May 2024]

²⁴² In the US applicants can file an application without prior use in commerce, however the mark applied for cannot be registered without showing actual use of the mark in commerce within a certain time frame. See e.g., United States Patent and Trademark Office, Trademark applications - intent-to-use (ITU) basis. Available at: <https://www.uspto.gov/trademarks/apply/intent-use-itu-applications> [Accessed on 19 May 2024]

²⁴³ EUTMR Art. 47(2). Also, the genuine use requirement according to the EUTMR Art. 18 is another limiting factor.

²⁴⁴ *ibid.* 18. Interestingly, at that time Beebe and Fromer did not see congestion and crowded field as parallel, rather cause and effect.

factor of number and nature of similar marks used in connection with similar goods or services could serve finding this connection nevertheless. Growth of the trademark system added with depletion and congestion naturally leads to more crowded fields of trademarks as discussed. However, the frequency of this occurring is not yet very distinct, even though, there is some empirical evidence supporting the overall increase of the phenomenon.

There are many possible reasons for the increase of depletion and congestion (as well as crowded field). As addressed earlier, shorter word marks are more appealing and therefore more effective in terms of competition as discussed earlier. This indicates that they are also in demand amongst the registrants which reasonably implies depletion and consequently potential congestion among those marks. While most of the time registrants of the depleted and congested marks do use their marks, there are also some operators which do not conform with the usage requirements which results in blockage that might render future applications in the EU refused. Although, a reasonably observant applicant might also take into account prior registrations that are subject to non-use. However, non-use of trademarks and excessively broad trademark classes and descriptions are evident in the EUIPO register as was noted by research conducted by von Gravitz et al.²⁴⁵ The non-use and excessively broad trademarks were referred to as trademark cluttering, which similarly to the crowded field marks and congested marks seems to generate further layers of cluttering. They also took into account that applicants might face increased costs when seeking for new trademarks and whether it is effective to seek for revocation of a prior mark based on non-use.²⁴⁶ It can be inferred that cluttering affects the crowding and congestion of the trademark register. However, crowded field trademarks might not necessarily amount to cluttering if there is actual use involved. Nevertheless, crowded field marks on the other hand could generate excessively broad classifications in their registrations as well, similarly to any trademark even within less crowded fields.

In addition, bad faith has an effect on the trademark congestion or crowding as well since sometimes (the most likely case of bad faith in trademark law) an applicant is aware of an identical or a similar mark being used and still proceeds to apply for an identical or similar mark regardless of the prior mark.²⁴⁷ Bartow describes that intentional copying and

²⁴⁵ Georg von Graevenitz, and Christine A. Greenhalgh, and Christian Helmers, and Philipp Schautschick, Trade Mark Cluttering: An Exploratory Report, Intellectual Property Office Research Paper No. 2012/11 [online] [2015]. Available at: <http://dx.doi.org/10.2139/ssrn.2710618> [Accessed on 19 May 2024]

²⁴⁶ IPO, Cluttering and Non-Use of Trade Marks in Europe, Intellectual Property Office Research Paper [online] [2015]. Available at: <http://dx.doi.org/10.2139/ssrn.4095957> [Accessed on 19 May 2024]

²⁴⁷ EUTMD Articles 4(2) and 5(4)(c) state that in terms of being registered when applicant acts in bad faith. Bad faith is also demonstrated in the EUTMR Article 59(1)(b) as an absolute ground for invalidation when an

counterfeiting is an example among the spectrum of bad faith.²⁴⁸ Bad faith is also connected to bad intention, which in this scenario is an intention to gain profit or otherwise exploit the prior right. However, it must be noted that the concept of bad faith is not that straightforward since the mere acknowledgement of a prior right is not enough to presume bad faith intentions. Other aspects must be in play in order to find bad faith. One example of such aspect is an overly broad classification of goods or services for which the mark has been applied for with no intention (or no reasonable expectations to broaden the provided goods or services to those classes) to use the mark in connection to all the classifications.²⁴⁹ European trademark law tackles this similar agenda of bad faith in the relative grounds for refusal in cases of marks with reputation. There the provisions refer to something quite similar such as applied mark taking unfair advantage of the prior mark or being detrimental to it.²⁵⁰

Research has shown that oppositions filed in EU rarely end up to Oppositions Division for a decision partly due to a cooling-off period implemented into the registration phase. Only approximately 36% of opposed applications were decided by the Opposition Division. Probable reasons for this are the applicant's willingness to narrow the scope of the goods and services connected to the mark applied for and coexistence agreements between the applicant and the opponent. Often, coexistence is agreed between marks that are similar in relation to their signs and products, the agreements of which are often not disclosed to anyone else. Coexistence of similar marks could therefore arguably lead to trademark congestion and crowding.²⁵¹

As demonstrated by the case examples from the US indicating congestion and crowded field, the examining attorneys' prior decisions on likelihood of confusion in the *ex officio* examination have made it possible that larger number of entrants with similar marks and products have been able to penetrate through the likelihood of confusion assessment. This can be seen, for example, through the previously described US examples in which the applicant

applicant acted in bad faith while applying for their mark. The provisions listed, however, do not elaborate on the bad faith further. Bad faith in other areas of law can also have a different meaning compared to that in regard to the trademark law, which should also be kept in mind.

²⁴⁸ Ann Bartow, *Likelihood of Confusion*, *San Diego Law Review* 41(1) [online] [2004] 47. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=544923 [Accessed on 19 May 2024]

²⁴⁹ Case C-529/07 - Chokoladenfabriken Lindt & Sprüngli [2009] ECLI:EU:C:2009:361 and Case C-371/18 - Sky and Others [2020] ECLI:EU:C:2020:45 and Case T-291/09 - Carrols v OHMI [2012] ECLI:EU:T:2012:39

²⁵⁰ EUTMR Art. 8(5) and EUTMD Art. 5(3).

²⁵¹ Barton Beebe and Jeanne C. Fromer, *The Future of Trademark in a Global Multilingual Economy: Evidence and Lessons from the European Union*, *International Trademark Association, The Trademark Reporter* vol 112, 6 [online] [2022] 968. Available at: https://www.inta.org/wp-content/uploads/public-files/resources/the-trademark-reporter/TMR-Vol-112-No-06_Beebe-Fromer.pdf [Accessed on 19 May 2024]

demonstrated extensive evidence of third-party marks. It remains unclear whether this has been the cause of a faulty examination or not, but nevertheless it might amount to congestion/crowdedness. Addressing the whole situation at its earliest point in time of the trademark system, there must have been (at some early point) only one registration that was sufficiently similar in terms of its mark and goods or services compared to a new applicant (the second application overall in respect of sufficient similarity). In that scenario it would have been easier to avoid similarity altogether, since there were no extensive third-party use and therefore more emphasis could have been put to other relevant aspects and factors other than the sixth DuPont factor. However, this has not always been the case as demonstrated by previously pointed examples. The barrier for entry might not have been adequately high enough at that point in time and similar marks have been able to penetrate into the system. On the other hand, situations in the past could have been very different in those "early" cases and the difference in terms of the factors of likelihood of confusion could have well established no confusion in that stage. Even though further speculation is out of the scope of this paper, it is still reasonable to argue that prior examining decisions have influenced the formation of crowded fields.

It is possible that since the bar for entry was sufficiently low for new entrants, future entrants could not have been treated differently in terms of fundamentally equal treatment in the eyes of law and its application. For instance, for different registrants to be treated equally (bearing in mind also the case specific circumstances) it seems reasonably justifiable that when 19 marks that are similar to each other in connection to similar goods were admitted registration that also the 20th mark would be granted registration.²⁵² Of course, taking into account the similarities in terms of the characteristics at play. However, it should be noted that congestion can also take place even when provisions such as Lanham Act's § 2(d) is being applied adequately.²⁵³ On the contrary, it may even increase the growth of crowded fields.

In addition, the sixth DuPont factor and as a consequence the crowded field argument has been justified by the assumption that when multiple similar operators are providing similar

²⁵² In regard of crowded field arguments, where "a number of similar registrations have been accepted by the EUIPO, according to settled case-law, 'decisions concerning registration of a sign as a European Union trade mark ... are adopted in the exercise of circumscribed powers and are not a matter of discretion'. Accordingly, the registrability of a sign as a European Union trade mark must be assessed solely on the basis of the EUTMR, as interpreted by the Union judicature, and not on the basis of previous Office practice" This ultimately means that similar treatment does not extend to all the prior decisions, but the main emphasis is put on the legislation. Case C-37/03 P, BioID [2005] ECLI:EU:C:2005:547 and Case T-36/01, Glass Pattern [2002] ECLI:EU:T:2002:245

²⁵³ Barton Beebe and Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion* [2018] 1014.

goods or services the consumers are accustomed to the crowded field and have therefore learned to distinguish the similar marks from each other based on their minor differences.²⁵⁴ The courts in the US have followed this line of thought and continued that the "evidence of third-party use of similar marks on similar goods is relevant to show that a mark is relatively weak and entitled to only a narrow scope of protection."²⁵⁵ Further it was stated that the extensivity of third-party use of the mark may determine that the mark is not strong, rather it is considered a weak mark, which also corresponds to a lesser degree of protection.²⁵⁶ Lesser degree of protection of descriptive or suggestive marks has been assessed to less likely generate confusion regarding the origin on the goods or services.²⁵⁷ In addition, the competitors may come closer to the mark without violation because of the weakness of the mark, at least compared to other marks that are stronger.²⁵⁸

However, the assumption that consumers would be used to crowdedness or that they have learned to distinguish similar marks from each other is not proven by scholarly literature or otherwise clearly explained in the case law. It is rather controversial to the fundamental functionality of trademarks that in essence tries to avoid confusion as to the origin of the goods or services. Consumer awareness in the situation is explained through the assumption that consumers are conditioned to search for differences in the marks placed before them. However, there is no distinct evidence regarding that either. Although, it must be addressed that similarly to a specified class of goods or services which provides for professional or otherwise high-end products, the consumers have also been more frequently described to be circumspect and have relevant knowledge of the class of goods. Therefore, the situation has been determined to be quite similar in regards of these two scenarios. This is another point based on which the crowded field argument has grounds to function in favour of the applicant in the opposition proceedings.

As already touched upon, descriptive and suggestive marks have a role to play regarding the crowded field argument. Crowded field marks are considered weak marks that often include descriptive and suggestive elements. Consequently, they might be granted lesser protection as well. As demonstrated by the addressed case law in the US, if the marks do have characteristics that render them descriptive or suggestive through third-party evidence, they are given less

²⁵⁴ J. Thomas McCarthy, *Trademarks and Unfair Competition*, § 11:88 4th ed. [2015] and *Juice Generation, Inc. v. GS Enters LLC*, 794 F.3d 1334, 115 USPQ2d (Fed. Cir.) [2015]

²⁵⁵ *Palm Bay Imps., Inc. v. Veuve Clicquot Ponsardin Maison Fondee En 1772*, 396 F.3d 1369, 1373 (Fed.Cir.) [2005]

²⁵⁶ *In re Coors Brewing Co.*, 343 F.3d 1340, 1345 (Fed.Cir.) [2003]

²⁵⁷ *Tektronix, Inc. v. Daktronics, Inc.*, 534 F.2d 915, 917 (CCPA) [1976]

²⁵⁸ *Sure-Fit Products Co. v. Saltzson Drapery Co.*, 254 F.2d 158, 45 (CCPA) [1958]

protection in comparison to otherwise fanciful or arbitrary marks. Even though there is absolute ground for refusal in EU concerning that a mark cannot consist of exclusively descriptive characteristics, it does not prohibit use of marks that are descriptive but also possess other distinctive character.²⁵⁹ The US has a similar provision that prohibits registration of marks that are exclusively descriptive.²⁶⁰ Yet, marks that have some descriptive characteristics can be registered.

There are potentially two ways of tackling the problem of growing crowded fields. If a mark that already has similarity to prior marks with similar signs and goods or services, the likelihood of confusion assessment could be conducted more strictly, meaning that finding likelihood of confusion could be made easier so that the trademark field does not get crowded in the first place. However, considering the current state of the trademark register in EU, that would not solve the already crowded active registers in terms of the registrations already in place. This would also cause overproportionate advantage to the already registered marks compared to new applicants. An alternative solution is to put particular emphasis on the mark's strength when assessing its scope of protection. Since the crowded field marks do possess lower strength and likely descriptive or suggestive elements, those kinds of marks should generate lesser protection for the proprietor. In that case, new applicants' registrations might be evaluated by emphasising on the crowdedness of the field in the assessment in connection with likelihood of confusion. Therefore, already registered trademarks within a crowded field could be afforded a lesser protection and new entrants with similar characteristics could be registered more easily. Consequently, new entrants would also be granted a narrower scope of protection. To minimise the crowded fields within registries, the latter way would actually be a rather counterproductive solution and instead it would create even more crowding. Mainly, it would grant some clarity to the way crowded field marks are treated equally and what their actual scope would be. It would also ideally foster more competition and reduce costs of entry. Since trademarks are often justified through the benefits for the consumers gained through the trademarks' designations, it would be beneficial to further weigh how crowded field marks affect consumers' benefits. This will be later examined in this paper.

3.4. Other related elements in the trademark law in connection to the crowded field argument

Can crowded field as an argument be considered in parallel to other already more known elements or concepts found in the trademark law? Answering that question might shed some

²⁵⁹ EUTMR Art. 7(1)(c) and EUTMD Art. 4(1)(c).

²⁶⁰ Trademark Act, 15 U.S.C. § 1052 § 2(e).

light on what crowded field means more concretely. It was already distinguished that crowded field as a phenomenon relates strongly to congestion of trademarks. Even Beebe and Fromer had used crowding as a parallel to congestion.²⁶¹ However, it might be valuable to examine whether there are more elements that are already known in trademark law which relate to crowded field.

It was previously discussed that trademark cluttering is another problem of the trademark registers. By definition, cluttered trademark registers incorporate a great number of excessively broad or unused marks.²⁶² It does have certain similarity to crowded field marks, or at least to some of the crowded field marks. However, not all of the crowded field marks are necessarily unused or excessively broad by their specification, but some might be, as is the case with any kind of trademark. The concept of cluttering can be interpreted as an additional refined aspect within the same domain as the crowded field, but not quite as a synonym to one another. The parallel implications of both concepts seem to result from the trademark registers' congestion and depletion. While more marks are registered, crowdedness and cluttering are most likely increased. One essential cause of cluttering relates to the proof of use doctrine within EU. Because there is no proof of use similarly to the US, new applicants need not prove their use unless explicitly requested in the opposition proceedings.²⁶³ One essential cause of crowded field marks, on the other hand, relates to relative grounds for refusal and the fact that similarity of signs and their corresponding similarity of goods or services are only assessed in the opposition proceedings. Therefore, no evaluation is conducted *ex officio*. It seems that because no examination in relation to non-use or likelihood of confusion is conducted *ex officio*, it causes increased in excessive or unused marks as well as similar marks with similar goods or services. It can also be inferred that both concepts cumulate even further crowding and cluttering, building upon the previous one.

As established in the previous subchapter, crowded field argument has some connection to the descriptive and suggestive nature of the marks. This might indicate that the description of crowded field argument also possesses elements of both descriptive and suggestive nature. First, it needs to be determined where descriptive and suggestive marks belong in the

²⁶¹ Barton Beebe and Jeanne C. Fromer, The Future of Trademark in a Global Multilingual Economy: Evidence and Lessons from the European Union, International Trademark Association, The Trademark Reporter vol 112, 6 [online] [2022] 906. Available at: https://www.inta.org/wp-content/uploads/public-files/resources/the-trademark-reporter/TMR-Vol-112-No-06_Beebe-Fromer.pdf [Accessed on 19 May 2024]

²⁶² Georg von Graevenitz, and Christine A. Greenhalgh, and Christian Helmers, and Philipp Schautschick, Trade Mark Cluttering: An Exploratory Report, Intellectual Property Office Research Paper No. 2012/11 [online] [2015] 10. Available at: <http://dx.doi.org/10.2139/ssrn.2710618> [Accessed on 19 May 2024]

²⁶³ EUTMR Art. 47(2) and (3).

distinctiveness spectrum of trademarks. As demonstrated by the US Supreme Court, mark's distinctiveness (or strength) can be measured on a spectrum of five classifications: 1) fanciful, 2) arbitrary, 3) suggestive, 4) descriptive and 5) generic.²⁶⁴ Fanciful marks often relate to marks that are coined terms that in itself mean nothing. Arbitrary marks on the other hand are words that have a meaning but have no connection to the goods or services provided by the proprietor of a mark. Suggestive marks need some imagination or other link in order to connect them to the goods or services. Descriptive marks possess term or terms which describe the characteristics of the goods or services while generic term signals a certain category of a product. Out of all the above, generic term is not eligible for protection in the trademark law. It is noteworthy that the spectrum is most effectively utilised in connection with word marks, however, it can be used on other marks as well.²⁶⁵ Even though the example of the spectrum of trademark distinctiveness described here does originate from the US, it has strong comparison to the EU. In the EU, the spectrum of distinctiveness is similar, while some of the terms described have alternatives. In the EU, one example of the spectrum includes terms generic, descriptive, allusive, arbitrary and reputed.²⁶⁶ The previously addressed assessment of mark strength provided some guidance on how to interpret the strength of mark at issue.

Since genericness causes a term to not being eligible for trademark protection, it cannot be included in a crowded field of trademarks. It is therefore outside the scope of the assessment here. Remaining categories of descriptive, suggestive, arbitrary and fanciful marks do have some more relevancy in terms of being able to constitute registrable trademark.

Descriptive marks have the lowest degree of distinctiveness that can amount to trademark protection. However, a mark cannot be entirely descriptive as determined in the EUTMR Article 7(1)(c).²⁶⁷ A sign is refused for its descriptive nature if it has a meaning that is effectively perceived as providing only information about the goods or services applied for. Examples of such include quality, characteristics, size and purpose of the goods or services. Further, the connection between the term and the product should be sufficiently direct and concrete.²⁶⁸

²⁶⁴ *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976). As well as Larrimore Ouellette, *The Google Shortcut to Trademark Law*, 102 CALIF. L. REV. [online] [2014] 352. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2195989 [Accessed on 19 May 2024]

²⁶⁵ *Ibid.*

²⁶⁶ European Union Intellectual Property Office (EUIPO), *Trade Mark and Design Guidelines*, [online] Available at: <https://guidelines.euipo.europa.eu/1803468/1786565/trade-mark-guidelines/2-1-1-distinctiveness> [Accessed on 19 May 2024]

²⁶⁷ EUTMR Art. 7(1)(c)

²⁶⁸ European Union Intellectual Property Office (EUIPO), *Trade Mark and Design Guidelines*, [online] Available at: <https://guidelines.euipo.europa.eu/1803468/1786565/trade-mark-guidelines/2-1-1-distinctiveness> [Accessed on 19 May 2024]

The reason for not allowing entirely descriptive terms being registered as trademarks relates to the benefit gained from all economic operators being able to freely use terms to describe their goods or services without exclusive rights of others intervening. That certainly has a positive effect on the market, while prohibiting other operators from using a descriptive term hampers competition.²⁶⁹

An allusive or a suggestive mark may have a low degree of distinctiveness if the mark is not exclusively descriptive of the characteristics of the goods or services.²⁷⁰ Therefore, it is generally eligible for a registration based on its distinctiveness. The US Supreme court highlighted that suggestive marks are not exactly descriptive nor arbitrary or fanciful, instead they require some imagination to connect the sign to the nature of the goods or services. It is deemed that there is a fine line between descriptive and suggestive/allusive marks.²⁷¹ Suggestiveness or allusiveness generally means that the mark is inherently distinctive, while descriptive mark is not, but a descriptive mark may still gain protection through, for example, acquired distinctiveness.²⁷² Suggestive marks also have a significance in terms of the crowded field and the argued finiteness of competitive trademarks. According to marketing studies a suggestive brand name does have effectivity compared to non-suggestive marks in terms of consumer recollection of the mark and its advertising efforts regarding the goods or services in question.²⁷³

²⁶⁹ Jeanne C. Fromer, *Against Secondary Meaning*, *Notre Dame Law Review* Vol.98, 1 (4) [online] [2022] 226. Available at: <https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=5043&context=ndlr> [Accessed on 19 May 2024]

²⁷⁰ Jeanne C. Fromer, *Against Secondary Meaning*, *Notre Dame Law Review* Vol.98, 1 (4) [online] [2022] 230-231. Available at: <https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=5043&context=ndlr> [Accessed on 19 May 2024]

²⁷¹ *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976)

²⁷² Jeanne C. Fromer, *Against Secondary Meaning*, *Notre Dame Law Review* Vol.98, 1 (4) [online] [2022] 221. Available at: <https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=5043&context=ndlr> [Accessed on 19 May 2024] and Edward J. Heath and John M. Tanski, *Drawing the Line Between Descriptive and Suggestive Trademarks*, *Commercial & Business Litigation* Vol 12, 1 [online] [2010] 2. Available at: <https://www.rc.com/upload/ARTICLE-Drawing-the-Line-Between-Descriptive-and-Suggestive-Trademarks-Heath-Fall-2010.pdf>

²⁷³ Kevin Lane Keller, Susan E. Heckler and Michael J. Houston, *The Effects of Brand Name Suggestiveness on Advertising Recall*, *Journal of Marketing* [online] [1998] 55. Available at: https://www.researchgate.net/publication/255603810_The_Effects_of_Brand_Name_Suggestiveness_on_Advertising_Recall [Accessed on 19 May 2024]

Arbitrary, fanciful and reputed marks, on the other hand, have a higher degree of distinctiveness.²⁷⁴ According to the definition of crowded field argument, marks in such a field have a lowered distinctiveness or a lower degree of strength. This adaptation suggests that marks involved in a crowded field are not necessarily arbitrary, fanciful or reputed, but more likely marks that are descriptive, suggestive or allusive. Otherwise, there would be high degree of distinctiveness and strength among the marks within a crowded field which seems very controversial considering the argued definition of a crowded field as a phenomenon. If arbitrary, fanciful or reputed marks were to exist in a crowded field, the marks would possess high distinctiveness through their marks, but low distinctiveness due to existing in a crowded field. Reasonably considered, such situation is somewhat controversial so that it would be unorthodox for such circumstance to exist. However, it must be noted that not everything in terms of the assessment of a mark's strength and distinctiveness has to do with the types of marks described in this chapter, but other aspects are often assessed as well to gain an overall perspective.

Even though descriptive, suggestive or allusive marks seem to have characteristics similar to marks within a crowded field, it is not entirely conclusive to claim that as a fact. However, some of the crowded field marks could be very well considered descriptive, suggestive or allusive. As already mentioned, there are also other factors at play in terms of determining strength of a mark.

In addition, there might be other already known elements in the trademark law that might relate to crowded field in addition to the aforementioned. One example of such is coexistence of marks. Coexistence means that two marks coexist peacefully on the market for a period of time, and it may have an effect on the likelihood of confusion assessment. The coexisting marks are likely to share the relevant territory.²⁷⁵ Sometimes such peaceful coexistence may be affirmed through a coexistence agreement. However, it is difficult to ascertain how often mark owners do in fact enter into such agreements. According to interviews conducted by Beebe and Fromer, the parties of coexistence agreements often agree to operate in different territories or only sell certain types of goods or services. Most often, such agreements are not disclosed to anyone other than the parties themselves. In addition, an emerging opposition

²⁷⁴ Jeanne C. Fromer, *Against Secondary Meaning*, *Notre Dame Law Review* Vol.98, 1 (4) [online] [2022] 228. Available at: <https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=5043&context=ndlr> [Accessed on 19 May 2024]

²⁷⁵ Definition of coexistence demonstrated in the case C-498/07 P *Aceites del Sur-Coosur, anciennement Aceites del Sur v EUIPO* [2009] ECLI:EU:C:2009:503

proceeding may courage an applicant to enter into such an agreement.²⁷⁶ Nevertheless, the mere coexistence on the trademark register is not sufficient to avoid finding confusion, but the coexistence must be substantiated with other evidence.²⁷⁷ Therefore, coexistence has a possibility of removing likelihood of confusion. Coexistence of course has an effect on the consumers, because even though the two competitors might know who provides which products in which market, the consumer might not be aware of that. This causes potential confusion among the consumers that are not sure which products are provided by which mark holder (regardless of the existence of a specific agreement).²⁷⁸

According to above-described coexistence, it does have some similar characteristics compared to crowded field as a phenomenon. When coexistence happens, most likely there will be some kind of similarity at play, otherwise everything on the market may be described to coexist, since they exist on the market with other operators. While similarity is a common ground between the crowded field phenomenon and coexistence as now described, it is still uncertain if there can be coexistence between multiple unaffiliated entities. After all, crowded field demonstrates a number of similar marks with similar goods or services held by unaffiliated entities which means that multiple proprietors should coexist peacefully on the market. Linguistically speaking, the suffix of "co" corresponds to something that is done together with one or more other people.²⁷⁹ Even though, there are related aspect between the crowded field and coexistence they cannot be determined synonyms of each other.

To highlight the distinctiveness aspect of the crowded field, US court has adequately noted that "The weaker an opposer's mark, the closer an applicant's mark can come without causing likelihood of confusion and thereby invading what amounts to its comparatively narrower range of protection."²⁸⁰ Further, that when there are evidence of proprietors using similar marks on similar products it can demonstrate that the mark is weak.²⁸¹ Even though, the

²⁷⁶ Barton Beebe and Jeanne C. Fromer, *The Future of Trademark in a Global Multilingual Economy: Evidence and Lessons from the European Union*, International Trademark Association, *The Trademark Reporter* vol 112, 6 [online] [2022] 984. Available at: https://www.inta.org/wp-content/uploads/public-files/resources/the-trademark-reporter/TMR-Vol-112-No-06_Beebe-Fromer.pdf [Accessed on 19 May 2024]

²⁷⁷ Case T-596/15 *Batmore Capital Ltd v EUIPO* [2017] ECLI:EU:T:2017:103

²⁷⁸ Barton Beebe and Jeanne C. Fromer, *The Future of Trademark in a Global Multilingual Economy: Evidence and Lessons from the European Union*, International Trademark Association, *The Trademark Reporter* vol 112, 6 [online] [2022] 985. Available at: https://www.inta.org/wp-content/uploads/public-files/resources/the-trademark-reporter/TMR-Vol-112-No-06_Beebe-Fromer.pdf [Accessed on 19 May 2024]

²⁷⁹ Cambridge English Dictionary, a search for "co-" [online]. Available at: <https://dictionary.cambridge.org/dictionary/english/co> [Accessed on 19 May 2024]

²⁸⁰ *Juice Generation, Inc. v. GS Enters LLC*, 794 F.3d 1334, 115 USPQ2d (Fed. Cir.) [2015] 7.

²⁸¹ *Ibid* 7.

descriptive and suggestive marks may not be deemed precisely synonyms of crowded field marks, the marks with such characteristics do have major similarity in respect of the distinctiveness/strength of the marks. The same applies also to the EU context. The weaker marks have weaker protection since strength of the mark is one of the essential aspects of consideration in the likelihood of confusion analysis. As discussed previously, crowded field marks likely possess characteristics of weak marks. This results from their distinctiveness due to descriptive and suggestive nature which in relation to crowded classifications demonstrates not only similarity with one other mark, but multiple third-party marks.

3.5. Evaluating the potential utilisation of crowded field argument in the EU opposition proceedings

As previously described, crowded field as a phenomenon is a field in which there are number of marks with similar signs in connection with similar products that are owned by unaffiliated entities. The meaning of the "field" in this regard has been defined by Beebe and Fromer as to correspond to a class of goods or services.²⁸² However, the definition has not yet been broadly established by other scholars, which is why it could also mean a narrower field such as a subclass or even a concrete good or service. When crowded field is paired with likelihood of confusion aspect, it must be highlighted that two similar marks merely existing within the same Nice classification does not necessarily amount to confusion even when the goods or services are similar. This also means that Nice classification is considered relatively broad. Nevertheless, since there is no established definition, the paper will assume that "field" corresponds to a Nice classification.

How can one find a crowded field and what kind of characteristics does it have? One indication often cited by Beebe and Fromer is the number of registrations in a certain class of closely similar marks which are owned by unaffiliated entities.²⁸³ In order to gain a better view of a crowded field, a demonstration from the EUIPO registry should suffice. At the time of writing of this paper, there were 1,008 registered EUTMs within the class 35 which included the word "EURO" in the mark.²⁸⁴ At the time of writing of this paper, there were 504 registered EUTMs

²⁸² For example, Beebe and Fromer have not precisely defined the term "field" in their work, but they often continue to analyse the field in terms of the class of goods or services, such as according to Nice classification. See Barton Beebe and Jeanne C. Fromer, *The Future of Trademark in a Global Multilingual Economy: Evidence and Lessons from the European Union*, International Trademark Association, *The Trademark Reporter* vol 112, 6 [online] [2022] 907. Available at: https://www.inta.org/wp-content/uploads/public-files/resources/the-trademark-reporter/TMR-Vol-112-No-06_Beebe-Fromer.pdf [Accessed on 19 May 2024]

²⁸³ *Ibid* 961.

²⁸⁴ EUIPO Trade Mark register [Accessed on 27 January 2024]

within the class 25 which included the word "LOVE" in the mark.²⁸⁵ Another example is a word mark "ACE" which may be reasonably considered less descriptive or suggestive compared to the aforementioned examples. There were 10 "ACE" word marks in the class 9.²⁸⁶ All of these examples considered just the word marks, excluding e.g., figurative elements. The term "ACE" was searched using precisely the exact term/word which means that all the 10 registrations were identical in terms of their signs and classifications while "Euro" and "Love" were included in the found results on their own or in connection with other letters or words.

One might reasonably assume that some of these demonstrated marks within their classes amount to a crowded field. Even when assuming that crowded field is narrower than what has been previously determined in this thesis, i.e., that the "field" is perceived as a sub-class or a type of product, there are still a voluminous number of marks involved. It would be quite possible that there exists a crowded field even in respect of its potential narrower definition. Yet, it is difficult to ascertain whether there exist narrower crowded fields within the results demonstrated above, since the EUIPO registry does not provide more concrete type of search field in addition to Nice classification. Though, there can be separately observed more specific types of goods and services for individual marks. Even when more specific types of goods and services for individual marks are examined, for example, clothing goods and services in class 25 are heavily crowded in connection with the word "LOVE" included within the mark. However, caution must be exercised since confusion or even overall similarity between marks may not always be deemed based on an identical part of a mark, rather it is based on an overall case-by-case evaluation.

It has been established that crowded fields of trademarks do exist in the European Union trademark law as a phenomenon. However, it is still unresolved whether one can use crowded field as an argument during opposition proceedings in EU, and if so, how? In addition, can it be used to support of deny likelihood of confusion in EU? In order to find evidence of crowded field as an argument having any relevance to an opposition proceeding, cases with indications of crowdedness or third-party use of similar marks must be found and evaluated. EUIPO registry provided some examples of such cases, few of which will be briefly discussed.

By an application of Skype Technologies, the applicant sought to register a word mark of "SKYPE".²⁸⁷ However, it was opposed based on an earlier mark "SKY" for all of the classes applied for based on likelihood of confusion and reputation of the earlier mark. The applicant

²⁸⁵ Ibid.

²⁸⁶ Ibid.

²⁸⁷ Case R 121/2011-4, OHIM, The Board of Appeal, Appeal in relation to opposition No. No B 1 046 046, Skype / Sky et al. [2013]

filed evidence of third-party registrations claiming that the term "SKY" is widely used by third parties in relation to classes applied for. The applicant provided evidence of 323 Community Trade Mark, 27 Irish and 147 UK trademark applications and registrations of third parties which include the word "SKY". The opposition was upheld by the Opposition Division, but the applicant appealed for the Board. The Board concluded that the goods and services were identical and that there was a medium degree of similarity between the marks. In addition, the opponent's mark was found reputed which in connection with other elements ultimately led to finding likelihood of confusion. However, even though the case had been decided significantly on the favour of the opponent, some interesting aspects were considered by the Board in relation to the third-party usage. The Board held that evidence submitted cannot prove dilution of the earlier mark. In addition, approximately 50 marks/signs were extracts from the registries. The provided evidence did not establish that the signs were actually in use in the UK and that the UK public is aware of the signs. Moreover, that no information was given as per the sales of the third parties or websites accessed by the consumers. Furthermore, the mere existence of other registered third-party marks cannot prove use of the marks within the relevant territory, meaning that possible weakness of the prior mark cannot be concluded. It was also noteworthy, that the opponent argued that third-party registrations have no relevance. However, the Board did not take any position regarding the opponent's statement.²⁸⁸ Board evading the opponent's statement still leaves ambiguity as to the relevancy of the third-party registrations.

Overall, the opposition was very successful and no reasonable counter argument on the contrary can be made from the case. However, the attempt itself of the applicant to demonstrate lowered distinctive character or strength of the earlier mark is interesting. As per the decision of the Board, it did consider the evidence of third parties. That said, such evidence did not prove actual use in this particular case. It can be inferred that because the Board had examined the evidence of third-party use, even though only briefly, it could mean that third-party use can potentially be a relevant factor in some cases depending on how evidence of such reflects the actual use of the marks within the relevant territory.

In another example, an application filed by Blufin S.p.A. sought to register a word mark of "ANNA MOLINARI".²⁸⁹ An opposition was raised by a proprietor of a mark "MONARI" based on argued likelihood of confusion between the marks. Following, the applicant argued, among other things, that "ANNA MOLINARI" corresponded to a famous designer, a founder of the

²⁸⁸ Ibid.

²⁸⁹ Case R 472/2009-4, OHIM, Opposition Division, Opposition No. B 1 214 493, *Molinari v. Anna Molinari* [2009]

applicant company and also that there are several Community and International registrations that are similar to the "MONARI". Applicant provided list and registration certificates of such third-party marks in attempt to prove that the prior mark "MONARI" was commonly used in the market and consequently a weak mark.²⁹⁰

The Opposition Division considered in its decision that according to previous case law from the General Court, it cannot be dismissed that coexistence of earlier marks on the market could in some cases reduce the likelihood of confusion between the examined marks. The GC also noted that such possibility was subject to consideration only when the applicant had demonstrated such coexistence without any likelihood of confusion between the earlier marks upon which it relies and the intervener's earlier mark based on which the opposition was filed, also providing that the marks at issue are identical. This demonstration must be presented during the opposition proceedings (relative grounds for refusal). The Opposition Division held that formal coexistence on a registry "is not *per se* particularly relevant". The applicant must prove that marks coexist in the market and consumers are used to interacting with such marks with the absence of confusion. In addition, it was held that the Office's examination of the case is restricted in principle only to the marks in conflict, therefore indicating that other earlier marks cannot be in principle examined.

However, Opposition Division noted that "only under special circumstances may the Office consider evidence of the coexistence of other marks in the market (and possibly in the registry) on Community level as an indication of "dilution" of the distinctive character of the opponent's mark which might be contrary to an assumption of likelihood of confusion." Further, it highlighted that the assessment of such must be conducted case-by-case considering other factors in relation to the coexistence. As a conclusion, it was held that the evidence in the case at hand did not demonstrate that consumers were exposed to widespread use of "MONARI" or that the customers were used to similar trademarks. Applicant was not successful in its attempt to prove that the coexistence (third-party use) of the marks listed was without any likelihood of confusion. It was further noted that the other earlier marks listed were not identical to the mark of the opponent.²⁹¹

It was decided eventually that there was no likelihood of confusion based on having only a low level of similarity between their signs, regardless of some similarity between the goods or services.²⁹² What is interesting about this case is that third party use of similar marks was considered as coexistence. As was previously addressed in this paper, coexistence is somewhat

²⁹⁰ Ibid.

²⁹¹ Ibid.

²⁹² Ibid.

related to crowded field which in connection to the described case could indicate further correlation between the crowded field and coexistence. It is also noteworthy that procedural estoppel restricts the parties from raising an argument of third-party usage after the opposition proceedings.

Yet again, the deciding body had held that there is in principle a possibility for the applicant to deny likelihood of confusion by proving widespread use and recognition. Perhaps somewhat critical point the Opposition Division raised is that their examination is restricted in principle only to the marks in conflict. In the previously analysed case the Board had, in fact, evaluated the third-party registrations, so there is still some uncertainty on whether the restriction is altogether concrete. However, this decision also provided some more useful requirements to help scope the crowded field argument, mainly that earlier marks relied upon must be identical to the opponent's mark.

In the final example from the registry, an applicant sought to register "EUROGUARD" which was opposed by an earlier mark "EUROCARD".²⁹³ It was argued by the applicant that the prefix "EURO" was very common and other differences were enough to prevent confusion. The Opposition Division determined that such prefix was very common and consumers in EU had used to seeing such prefix in a high number of marks in all the commercial sectors within the Union. They continued that even though records from registry are normally insufficient to show such situation is present in the market, because marks may not be used in the market, the fact that the applicant managed to identify a great number of registrations in class 36 that included the term "EURO" must reinforce the argument that such term is perceived by consumers as a general flattering term that is not necessarily capable of forming a distinctive element of a trademark. It results that comparing the marks in conflict in the market, consumers will incline to focus on other additional elements of the marks instead of "EURO". Therefore, the Opposition Division concluded that the earlier mark was formed by two either very common or descriptive terms which meant that the mark is very weak. Nevertheless, the case was decided on other merits, mainly due to the difference between the goods and services at issue which indicated that no likelihood of confusion can be found.²⁹⁴

This case yet again highlights the weakness of the marks which is an essential part of the likelihood of confusion assessment. The weakness depicted in crowded field marks is interesting since there are definite similarities between crowded field marks and marks at issue in the above case. In the above case, it was also concluded that a great number of

²⁹³ OHIM, Opposition Division, Opposition No. B 133167, EUROGUARD v. EUROCARD [2001]

²⁹⁴ Ibid.

registrations inferred weakness of the marks at issue. Since third-party registrations were addressed here as a weakness of the marks and in the previous examples in a similar fashion, these cases highlight aspects of the crowded field argument in the EU that apply similar factors as the US offices and courts. It can be very well inferred that these are demonstrations of crowded field marks in EU similarly to the examples from the US, however, the decisions on the cases differed from each other.

It can be argued that the crowded field argument as a factor favouring against finding likelihood of confusion might be possible in the EU framework, as demonstrated above. Some of the cases described did consider third-party registrations and their effect on the strength of the marks at play. However, no particular case was found where such an argument had been successfully used to support the applicant's agenda of finding no likelihood of confusion in the opposition proceedings, so that infers that crowded field argument is not currently being applied in EU context. In addition, crowded field argument has not been a decisive factor supporting the finding of likelihood of confusion either. It may be assumed that crowded field argument in the opposition proceedings is not relevant to the likelihood of confusion assessment since similarity is considered only in relation to the marks in conflict and the similarity of the marks in connection with their signs and goods or services may alone amount to finding likelihood of confusion. Therefore, it does not require any further third-party marks that have characteristics of a crowded field to enhance the probability of finding likelihood of confusion.

The requirements for such an argument to deny a likelihood of confusion assessment might be difficult to overcome considering also potential financial costs of extensive research. Some of the distinguished requirements are actual evidence of third-party use on the market, identity between the third-party marks and the opponent's mark, proof that the marks coexist in the market and consumers are used to interacting with such marks with the absence of confusion.

Interestingly, the previously addressed cases highlighted also that the proceedings are at least in principle restricted to evaluation between the two marks, while still third-party marks were assessed to some extent on some cases. While such restriction existing, further evidence was required as per actual usage and no likelihood of confusion as to the third-party coexistence. Those aspects further demonstrate the ambiguity of the state of crowded field as of now. In addition, while registration and opposition proceedings assess the registrations in an abstract, the third-party registrations in an abstract were not sufficient and further evidence of actual usage was required. Again, confusion as to the manner in which third-party registrations and moreover crowded field marks are assessed still exists.

Since the crowded field argument is somewhat radical exception to the relative ground for refusal provision, where similarity between marks and goods or services may correspond to finding likelihood of confusion, it does have a contradictory status in the trademark law in EU. Perhaps the case law might shift towards the US direction in the future depending on the development of the trademark universe (depletion and congestion) and development of the Office's and courts' interpretations or legislative reforms.

As discussed, the crowded field argument has a clear relation to weak distinctiveness of the mark. It seems that it is somewhat a synonym to crowded field and potentially it can be utilised in the same fashion as a crowded field argument, since both may aim towards pointing out the general weakness of the marks at issue.

As of now, the opposition proceedings do not provide an effective or at least reasonably available way for the applicants to deny the likelihood of confusion through crowded field argument. As the trademark universe grows and more marks are likely to enter the registers, EUIPO might have to take into consideration the *ex officio* evaluation of the relative grounds for refusal in order to avoid crowded fields or congestion to some extent. If the quite strict requirements for the crowded field argument to deny likelihood of confusion are successfully met in the future, it might cause even further crowding and open up for more congestion. EU has even more difficult time containing crowding compared to the US. One of the reasons is the lack of *ex officio* evaluation of the relative grounds for refusal. However, the vast and interrelated market with multiple languages and territories within EU might be the challenges that further enable crowded fields to grow. It is interesting to see if crowded field argument, that in essence does exist, will be successfully used to deny or support finding likelihood of confusion in the future.

After finding that there is a certain potential for crowded field argument to be used in EU as an exceptional norm, the paper shifts its focus on its justifications. As a normative justification one universally applicable aspect to consider parallel to legal landscape is the economical perspective. Economic rationale revolves around optimizing welfare and finding both positive and normative perspective on law and economics. In this paper, the economic theory that is utilised in order to evaluate potential justifications for a crowded field argument is the consumer search cost theory which will be further described and analysed in the following chapter to provide normative grounds on whether there should be economical justifications for having a crowded field argument that might either deny or support finding likelihood of confusion.

4 ECONOMIC RATIONALE FOR CROWDED FIELD ARGUMENT AND SIMILAR ELEMENTS

4.1. The function of economic analysis

The economic rationale in law concentrates on optimizing social welfare rather than what is seemed to be justified or fair.²⁹⁵ Even though, the link between normative arguments of law and economic arguments often intertwines, the perspective of economic rationale for a situation or reform of a situation is characterized based on evidence that proposes optimal arrangement of the legal concepts in terms of social welfare and effectiveness of the system as well as understanding the system.²⁹⁶ Moreover, in terms of legal foundations, there are both positive and normative perspectives to law and economics approach which each seek to answer quite different questions regarding the economy.²⁹⁷ Positive approach asks how legal constructs affect the behaviour of the persons of the law or how the behaviour is predicted to change.²⁹⁸ A normative question on the other hand would consider if the effects of a legal concept are desirable or not.²⁹⁹

The goal of the economic perspective of the law is to optimize legal landscape through maximizing welfare and also through minimizing expected costs that result from certain legal rules.³⁰⁰ The economic theory of law attempts to enhance the law by limiting or eliminating

²⁹⁵ Robert G. Bone, Taking the Confusion Out of "Likelihood of Confusion": Toward a More Sensible Approach to Trademark Infringement, *Northwestern University Law review*, 106(3), [online] [2012] 1361. Available at: <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1105&context=nulr> [Accessed on 19 May 2024]

²⁹⁶ Robert G. Bone, Taking the Confusion Out of "Likelihood of Confusion": Toward a More Sensible Approach to Trademark Infringement, *Northwestern University Law review*, 106(3), [online] [2012] 1361. Available at: <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1105&context=nulr> [Accessed on 19 May 2024]

²⁹⁷ Richard A. Posner, Values and Consequences: An Introduction to Economic Analysis of Law, Sandor Institute for Law & Economics Working Paper No. 53 [online] [1998] 2. Available at: https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=1607&context=law_and_economics [Accessed on 19 May 2024]

²⁹⁸ Ibid. and Louis Kaplow and Steven Shavell, Economic Analysis of Law, Harvard Law School and National Bureau of Economic Research. [online] [1999] 3. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=150860 [Accessed on 19 May 2024]

²⁹⁹ Ibid.

³⁰⁰ Robert G. Bone, Taking the Confusion Out of "Likelihood of Confusion": Toward a More Sensible Approach to Trademark Infringement, *Northwestern University Law review*, 106(3), [online] [2012] 1361. Available at: <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1105&context=nulr> [Accessed on 19 May 2024]

undesirable or unintended effects and creating more efficiency in welfare and values that are seen important in the society. Landes and Posner also highlighted how the economic efficiency is being generated through trademark law. They noted that trademarks make it possible for the consumer to reduce real costs, because it is less time consuming for him/her to search for a good or service that he/she wants.³⁰¹ Economides had a similar agenda when he stated that trademarks are justified because consumer decision-making is enhanced through trademarks. He also stated that another justification is that of the proprietors, moreover that trademarks generate incentives for the companies that incorporate qualities that the consumers desire in their products.³⁰²

Trademarks have traditionally been justified by the benefits of the consumers. There can be many benefits for them, but most directly the benefits of the consumers can be observed through either protecting the consumers or enabling consumers to economise their decisions.³⁰³ Although, for example McKenna has contested the traditional justification by stating that trademark justifications better suit the proprietors than consumers.³⁰⁴

Many theories or arguments might have economic rationales to them. Since the trademark law is best described and justified through the interests of the consumers, the crowded field argument might be best evaluated on its economic grounds through the economic interests of the consumers. Even though there may be alternative economic theories that can be utilized to both describe or to normatively analyse the crowded field argument, this paper will focus on search cost theory. Since the topic revolves around determining whether it is economically justified to involve a legal concept of crowded field argument that has characteristics of either denying or supporting finding likelihood of confusion, it is vital to examine its relation to consumers. Consumers are, as discussed earlier in this thesis, also important for the assessment of likelihood of confusion since the confusion is (at least should be according to

³⁰¹ William M. Landes and Richard A. Posner, *Trademark Law: An Economic Perspective*, *Journal of Law and Economics*, Vol. 30, No. 2. [online] [1987] 275. Available at: <https://www.jstor.org/stable/725498> [Accessed on 19 May 2024]

³⁰² Nicholas S. Economides, *The Economics of Trademarks*, *Trademark Rep.* 523, [online] [1988] 525–526. Available at: http://neconomides.stern.nyu.edu/networks/Economides_Economics_of_Trademarks.pdf [Accessed on 19 May 2024]

³⁰³ *Ibid*, see for example Stacey L. Dogan and Mark A. Lemley, *Search-Costs Theory of Limiting Doctrines in Trademark Law*, Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law* and William M. Landes and Richard A. Posner, *Trademark Law: An Economic Perspective*

³⁰⁴ Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, *Virginia Law Review* [online] [2012] 77. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]

EU legislation) measured through the eyes of the average consumer.³⁰⁵ However, it should be noted that even though the word "measured" was used in the sentence, it does not relate to empirical evidence or mathematical measurements, especially when considering the opposition proceedings. In opposition proceedings the evidence ultimately revolves only around the information provided through the registrations and only a rather abstract view on the average consumer is deployed since there would most likely be no actual evidence of consumer perceptions or potential confusion in the first place since the latter mark would most likely not have been used prior to the application.

After all, the functioning of the trademark system is mainly justified through the benefits of the consumers while contesting opinions have been raised scarcely. Search cost theory fits this relation, since it evaluates the costs that the consumers incur while searching for the goods or services that would best meet their needs. Trademark jurisprudence views the trademark law as an institution the purpose of which is to promote the quality and total amount of information there are available for utilisation in the markets - ultimately reducing consumer search costs. Even though it has not always been the dominant goal of the trademark law, it has an established ground in the modern trademark law.³⁰⁶ This chapter attempts to establish if crowded field argument should be economically justified through consumer search cost theory.

4.2. Search Cost Theory

The search cost theory, which is one of the most dominant theories in trademark law, tries to explain that consumers tend to rely on trademarks, because they convey information on the origin of the goods or services as well as on the quality of the goods or services. This reduces the consumers' costs of searching for such goods or services that best meet their needs in terms of consumption. Trademark also serves as an indication that the quality remains the same the next time a consumer purchases goods or services conveying the same trademark. Even when someone purchases a certain good for the first time, they can rely on the trademark which might have been providing certain information through advertising or word of mouth.³⁰⁷

³⁰⁵ Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019] 17 as well as C-251/95 SABEL v. Puma, Rudolf Dassler Sport [1997] ECLI:EU:C:1997:528

³⁰⁶ Mark P. McKenna, *The Normative Foundations of Trademark Law*, *Notre Dame Law Review* 82(5), [online] [2007] 1844. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=889162 [Accessed on 19 May 2024]

³⁰⁷ Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, *Virginia Law Review* [online] [2012] 73. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]

Trademark law makes it possible for the consumers and producers to have a reliable vocabulary so that the communication between the two most important operators in the market is more efficient and reliable.³⁰⁸ Producers will also gain assurance that other producers cannot steal their mark and render their marketing and quality investments useless. Consumers gain assurance and efficiency in finding faster and more accurately the right products with the right characteristics based on a faster mean of communication through trademark.³⁰⁹ Trademarks provide consumers with shorthand indicators such as qualities of different goods or services. However, this is useful only when consumers can rely on the information being accurate. This is where trademark law tries to accomplish circumstances that ensure an accurate and truthful competition which thrives on the marketplace through maintaining the clarity of the trade communication.³¹⁰

In addition, trademark law attempts to provide incentive for the producers to invest in their goodwill, brand and quality of their goods or services.³¹¹ Perhaps the incentive for the producers is not the basis for the existence of the trademark law nor search cost theory but nevertheless, it is an outcome at the least. The incentive to provide quality goods or services results to some extent from the trademark law's aim to protect the integrity in communication and information on the market.³¹² The incentive seems to be aligned with consumer benefits. When the firm has managed to create a consistent quality and reputation, their profits gained will also increase by consumer re-purchases, because the consumers are more eager to pay higher prices in return for lower costs of search and guaranteed quality of the goods or services.³¹³ The effects of being able to signal a product's origin cannot be overstated. The producers might not have incentives to invest in their products and the advertising of their product quality if they cannot expect repetitional reward from subsequent purchases in a

³⁰⁸ Stacey L. Dogan and Mark A. Lemley, Search-Costs Theory of Limiting Doctrines in Trademark Law. *The Trademark Reporter*, 97(6) [online] [2007] 1226. Available at: https://scholarship.law.bu.edu/cgi/viewcontent.cgi?article=1664&context=faculty_scholarship [Accessed on 19 May 2024]

³⁰⁹ *Ibid.*

³¹⁰ Stacey L. Dogan and Mark A. Lemley, Trademarks and Consumer Search Costs on the Internet, *Stanford Law and Economics Olin Working Paper*, 294 [online] [2004] 13. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=560725 [Accessed on 19 May 2024]

³¹¹ *Ibid* 17.

³¹² *Ibid* 30.

³¹³ William M. Landes and Richard A. Posner, Trademark Law: An Economic Perspective, *Journal of Law and Economics*, Vol. 30, No. 2. [online] [1987] 270. Available at: <https://www.jstor.org/stable/725498> [Accessed on 19 May 2024]

scenario where the origin of the goods or services cannot be distinguished.³¹⁴ The cost of copying the trademark of someone else is quite small in a scenario where legal regulation is absent. The incentive to incur the cost is relative to the strength of the copied trademark. The stronger the mark, the greater is the incentive to incur the cost of copying. By free riding, the competitor of the trademark will gain some of the profits of the proprietor of the trademark because some consumers might assume that the brands of the free rider and the real proprietor of the trademark are identical. If this kind of use is not prohibited under the law, free riding can annihilate the informative value conveyed in trademark. In addition, even the prospect of free riding can render the proprietor discouraged to invest in developing its trademark at all.³¹⁵

Consumers might also find goods or services they want without trademark and the information it provides. However, in that case the consumers would have less efficient capabilities to evaluate the products and their quality. For example, in order to find information about how sustainable or durable a certain good is, consumers might have to research how different manufacturing methods and materials affect such characteristics they are looking for in a product. This kind of researching is costly compared to the possibilities of information gained from trademarks. Sometimes it could also be impossible to find such information. Trademark law, therefore, attempts to help consumers avoid this kind of costly processes of searching for information and instead let consumers rely on trademarks. The way trademark law attempts to accomplish this is by preventing other parties from using a mark that is likely to confuse consumers of the origin of the goods or services. This results from the fact that confusion caused by identity or confusing similarity of different marks has an adverse effect on the efficiency reached by using trademarks on the market.³¹⁶ Moreover, that the consumers cannot distinguish between the identical or confusing similar marks on the market, and they have to expend time and resources to find the relevant goods that best meet their needs. What this means in the context of this paper is that if crowded field marks may be deemed confusingly similar, they would have a negative effect on the efficiency of trademarks according to the consumer search cost theory. However, it should be noted that according to

³¹⁴ Apostolos Chronopoulos, Determining the Scope of Trademark Rights by Recourse to Value Judgements Related to the Effectiveness of Competition - The Demise of the Trademark-Use Requirement and the Functional Analysis of Trademark Law, *International Review of Intellectual Property and Competition Law*, Vol. 42 [online] [2011] 544. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1904641 [Accessed on ...]

³¹⁵ William M. Landes and Richard A. Posner, Trademark Law: An Economic Perspective, *Journal of Law and Economics*, Vol. 30, No. 2. [online] [1987] 270. Available at: <https://www.jstor.org/stable/725498> [Accessed on 19 May 2024]

³¹⁶ Mark P. McKenna, A Consumer Decision-Making Theory of Trademark Law, *Virginia Law Review* [online] [2012] 73–75. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]

the definition of crowded field previously established in this paper, crowded field trademarks do not necessarily have to be confusingly similar.

4.2.1. Information relation and competition in the search cost theory

The relation of information and confusion in terms of trademark law is interesting. On the other hand, the search cost theory promotes a perspective which states that the more information there are on the market the more there are costs of searching for the consumers. Basically, this is an exaggerated argument which results from the previously addressed situation of identical and confusingly similar marks making it more costly for the consumers to find their preferred goods or services in the market. Perhaps a more truthful statement would be to say that the more there are similar information on the market the more there are costs for searching for the consumers. The other side of the coin demonstrates that the more information that there are available for the consumers the more they gain benefits and actually lower their costs of searching for the right product.

As per the first perspective, Janis and Dinwoodie have demanded for more caution regarding claims such as more information is always better in connection to trademark law discussion.³¹⁷ Instead, they state that all the information available, at least in the Internet context, can overload the consumers which increases their search costs.³¹⁸ For example, as there are sponsored links in search engines, they increase the information available for the consumers attempting to search. However, they might be overloaded with information since they would most likely not take into account all the links (information) available but instead they take into account only few first links. This results in more search costs or at least that the reduction of search costs through trademarks decreases.³¹⁹

As per the second perspective of the information relation in trademark search cost theory, there are some scholars that agree that information reduces consumer search costs. Dogan and Lemley discussed that one should not assume that consumers only want information on a particular product when they are searching for a certain trademark.³²⁰ Often it is beneficial for

³¹⁷ Mark D. Janis and Graeme B. Dinwoodie, Confusion Over Use: Contextualism in Trademark Law, *Articles by Maurer Faculty* 361, [online] [2007] 1630. Available at: <https://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=1361&context=facpub> [Accessed on 19 May 2024]

³¹⁸ Ibid 1631.

³¹⁹ Ibid 1631–1632.

³²⁰ Stacey L. Dogan and Mark A. Lemley, Trademarks and Consumer Search Costs on the Internet, *Stanford Law and Economics Olin Working Paper*, 294 [online] [2004] 38. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=560725 [Accessed on 19 May 2024]

the consumers to have more information so that they can economize the best goods or services for their needs. Dogan and Lemley also argue that comparative advertising and therefore more information is justified by the search cost theory. Accurate and reliable information of the compared goods or services which the comparative advertising provides lowers consumer search costs. Even though there can be other efficient means of providing useful information, trademarks can signal very efficiently such information making them suitable for making comparisons between different products and making best-informed decisions.³²¹ Dogan and Lemley also take an interesting perspective in terms of advertising and confusion. They argue that to the extent that advertisers deceive or mislead consumers to their products, they correspondingly lower the informational value on the market. However, in an Internet context using keyword advertising to address a consumer with non-confusing information that is useful for the consumer, cannot itself amount to confusion. If there are no confusion caused, the advertising actions should not be illegal. The mere presentation of other options for the consumers to choose from or truthfully demonstrating what the competitor's product is capable of achieving, does not have a negative effect on the market, instead, it promotes more information which enables consumers to be better-informed.³²²

Another scholar who similarly agrees with the information rationale of the consumer search cost theory is Ariel Katz, who calls the informational benefit of the trademark law a linguistic function. Linguistic function makes it possible for the consumers to distinguish products from each other. It also conveys complex meanings into compact meaningful terms.³²³ In addition, he discussed that the mere increase of search costs by a certain action should not be deemed unlawful. He analysed that some uses of a trademark should be prohibited only if other social benefits cannot compensate for the increase in search costs that a certain use generates.³²⁴ An example of such use is the comparative advertisement as discussed above. It provides useful information about the alternative options. Therefore, while the consumer's costs of search

³²¹ Stacey L. Dogan and Mark A. Lemley, A Search-Costs Theory of Limiting Doctrines in Trademark Law, Boston University School of Law, *The Trademark Reporter* 97(6), [online] [2007] 1234. Available at: https://scholarship.law.bu.edu/cgi/viewcontent.cgi?article=1664&context=faculty_scholarship [Accessed on 19 May 2024]

³²² Stacey L. Dogan and Mark A. Lemley, Trademarks and Consumer Search Costs on the Internet, Stanford Law and Economics Olin Working Paper, 294 [online] [2004] 58. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=560725 [Accessed on 19 May 2024]

³²³ Ariel Katz, Beyond Search Costs: The Linguistic and Trust Functions of Trademarks, *Brigham Young University Law Review*, 5(3), [online] [2010] 1555. Available at: <https://digitalcommons.law.byu.edu/cgi/viewcontent.cgi?article=2554&context=lawreview> [Accessed on 19 May 2024]

³²⁴ *Ibid* 1578.

increase by finding out information about alternative products, the other benefits also increase. Some search costs may be worth taking in some circumstances.³²⁵

It is therefore somewhat evident that not all confusion, at least which results from more information, is bad altogether. Not all search costs can possibly be avoided and that should be accepted. Even though search cost in connection to a certain activity increases it does not necessarily mean that those kinds of uses should be forbidden. If all the uses which increase search costs would be forbidden, then there would basically exist a monopoly. If, for example, there would be only one seller for every type of goods or services, all the goods and services within one type would be the same and all the prices would also be the same, thus making searching for the best possible goods or services useless. But because the competitive system is actually not fully competitive nor monopolized, consumers will most likely have to cope with some unavoidable search costs. The search cost theory, if considered in its full capacity, tries to cut off all search costs, but in case it results in a monopoly, it actually lowers consumer benefits by hampering competition. Therefore, adapting the justification for the search cost theory to its fullest is not actually what would benefit the consumers.³²⁶

In fact, reducing search costs and competition are in tension. While the search costs are reduced so is competition. And when there is more competition the more information and search costs there are available. It is also noteworthy to highlight that at least separately, they both tend to increase consumer welfare. Therefore, it is a tough task to balance these two aspects of trademark law. In addition, the search cost theory cannot alone inform us what search costs are worth eliminating.³²⁷

While not everything has to do with search costs there are benefits of consumer welfare in the competition. For example, competitive markets enable consumers to purchase products with a cheaper more competitive price which results from the fact that a single operator cannot dictate the prices on the market in a competitive market. The quality, which is one of the core justifications of the search cost theory, is also achieved through competition. High quality can correspond to more sales and profits while lower quality can mean that the producers cannot compete on the market against its competitors that provide better quality. Trademark law aids in making it cheaper and more efficient for consumers to find their preferred qualities of a product, therefore, promoting competition on the market. However, if this adoption is taken

³²⁵ Ibid 1586.

³²⁶ Ibid 1586–1587.

³²⁷ Mark P. McKenna, A Consumer Decision-Making Theory of Trademark Law, Virginia Law Review [online] [2012] 87–88. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]

too far, trademark law can actually do the opposite. When market dominance of the biggest operators is strengthened through trademark rights it can make it difficult for its competitors to enter the market. The dilemma in trademark law is how we can balance the informational benefits of trademarks and avoid the use of trademarks in an anticompetitive way which suppresses information.³²⁸

4.2.2. Search costs vs. decision-making

The consumers are better decision-makers because they have more information at hand and their overall utility will increase in addition to incentivising producers into inventing higher quality goods or services. Trademark law in this manner tries to promote competition on the marketplace by increasing the amount and quality of information that there are available for different stakeholders on the marketplace.³²⁹ Trademarks have informative role that the trademark law tries to preserve. The words that are used to identify and describe products are preserved through trademark law.³³⁰ A descriptive word as a trademark, for example, should therefore be left for the others to use. Descriptive term cannot be appropriated in a way that it totally prohibits others from describing their products.³³¹

It has also been criticised that search cost theory is given too broad of an importance solely based on the dominant view that all confusion creates search costs and search costs are altogether bad for consumers. McKenna proposes that instead of focusing on the search costs themselves, particular focus should be put on the consumer decision-making, which however, often results from searches preceding the decision-making. The costs that a certain search has on the consumers does not necessarily matter in every decision if the search costs do not impact the decision of a consumer. Moreover, that not all search costs relate to decisions consumers may or may not make. Some are totally irrelevant to consumers and sometimes search costs may be high in a certain situation but the overall welfare increases. This is

³²⁸ Stacey L. Dogan and Mark A. Lemley, A Search-Costs Theory of Limiting Doctrines in Trademark Law, Boston University School of Law, *The Trademark Reporter* 97(6), [online] [2007] 1223–1224. Available at: https://scholarship.law.bu.edu/cgi/viewcontent.cgi?article=1664&context=faculty_scholarship [Accessed on 19 May 2024]

³²⁹ Stacey L. Dogan and Mark A. Lemley, Trademarks and Consumer Search Costs on the Internet, *Stanford Law and Economics Olin Working Paper*, 294 [online] [2004] 58. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=560725 [Accessed on 19 May 2024]

³³⁰ Stacey L. Dogan and Mark A. Lemley, A Search-Costs Theory of Limiting Doctrines in Trademark Law, Boston University School of Law, *The Trademark Reporter* 97(6), [online] [2007] 1228. Available at: https://scholarship.law.bu.edu/cgi/viewcontent.cgi?article=1664&context=faculty_scholarship [Accessed on 19 May 2024]

³³¹ *Ibid* 1236.

problematic since overall welfare does not necessarily depend on search costs. There are also many scenarios and different types of information that affect the consumer decisions which do not consider confusion itself. Rather than focusing on the confusion itself, the right perspective according to McKenna might be to focus on the acts that deceive consumers, since not all confusion ultimately matters.³³²

Then what kind of search cost does matter in terms of decision-making? To address the oddity of this issue McKenna demonstrated that if the trademark law has a goal of reducing the time and resources spend by the consumers to search for the products they need, with the sole purpose of this to reduce search costs, then there would not be any amount of cost reduction that is not important to consider. Moreover, that any amount of search cost reduction is worth the saving regardless of other benefits or harm caused even though a real relation to consumer decision-making might be absent.³³³

The definition of the consumer search costs is important because it helps to understand how the reduction of the search costs can justify the existence of trademarks. One way of defining is trying to imagine a world with no trademarks in it. In this kind of scenario, consumers would not be able to identify the goods or services from each other. This indicates that trademarks serve as vessels of information that are important in making decisions to purchase products.³³⁴

4.2.3. Other criticism over search cost theory

Consumer search cost theory is quite new compared to some of the older trademark theories. Nevertheless, it has managed to become one of the most dominant theories in the trademark law and many scholars have researched it. But where does it come from? McKenna has previously argued that the trademark law has traditionally sought to mainly protect the proprietary rights by not allowing the third-party competitors to unfairly steal the trademark owner's trade. He boosts this argument by continuing that by large the trademark law can be better explained through the rights of the proprietors rather than through the search cost perspective of the consumers and benefits that the consumers gain. It cannot, however, be denied how vast of an effect the search cost theory has had on the trademark law since it is one

³³² Mark P. McKenna, A Consumer Decision-Making Theory of Trademark Law, Virginia Law Review [online] [2012] 111–112. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]

³³³ Ibid 101–102.

³³⁴ Mohammad A. Naser, Rethinking the Foundations of Trademarks, Buffalo Intellectual Property Law Journal, 5(1), [online] [2007] 33–34. Available at: <https://digitalcommons.law.buffalo.edu/cgi/viewcontent.cgi?article=1074&context=buffaloipjournal> [Accessed on 19 May 2024]

of the more dominant theories right now. The appeal of search cost theory results from the also dominant law and economics approach, which also considers intellectual property law in general. In addition, the appealing notion of the theory relates to the interests of consumers which the search cost theory appears to benefit. It also appears to limit trademark law so that the consumer harm is fended off.³³⁵ Wouldn't this kind of narrative of consumer benefits be easily sold to consumers and legislators.

According to the search cost theory, the mark owner's interests are only relevant where they are in line with the consumer benefits.³³⁶ Even though trademarks generate value to the mark owner, there is also some reciprocity in the trade of proprietary and consumer rights.³³⁷ Landes and Posner stated that the value generated to the owner of a mark is equal to the saving in search costs by the consumer which originates from the information that the mark conveys about its quality.³³⁸ McKenna, on the other hand, is not very convinced with this kind of perception. The statement of Landes and Posner would basically mean that the extra charge of a brand can be signed off by the information cost of the trademark, depending on if the cost is lower than the search cost of investigating a replacing generic product. McKenna then almost ironically stated that trademark protection is in this manner the ultimate win-win.³³⁹ Here, McKenna highlights how according to the search cost theory the consumer protection is of the essence and proprietary benefits are only consequential or even coincidental. However, according to McKenna, the search cost theory is actually better suited to benefit the rights of the proprietors and not the consumers.³⁴⁰

Bartow also agrees on the coincidental benefit for consumers. She states that trademark owners benefit from the trademark law and in reality, consumers gain benefit only coincidentally as a by-product of the trademark system which the mark owners can manipulate

³³⁵ Mark P. McKenna, *The Normative Foundations of Trademark Law*, *Notre Dame Law Review*, 82(5) [online] [2007] 1869–1870. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=889162 [Accessed on 19 May 2024] and also Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, *Virginia Law Review* [online] [2012] 77. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]

³³⁶ *Ibid* 75–76.

³³⁷ *Ibid* 77.

³³⁸ William M. Landes and Richard A. Posner, *Trademark Law: An Economic Perspective*, *Journal of Law and Economics*, Vol. 30, No. 2. [online] [1987] 270. Available at: <https://www.jstor.org/stable/725498> [Accessed on 19 May 2024]

³³⁹ Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, *Virginia Law Review* [online] [2012] 77. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521 [Accessed on 19 May 2024]

³⁴⁰ *Ibid*.

however they desire for a better commercial leverage on the market. Moreover, mark owners have a power to manipulate what information on, for example, source or quality their marks provide. Bartow even notes that advertisement can substitute investments in quality which is again something that demonstrates a proprietor-oriented search cost justification rather than consumer oriented.³⁴¹ As per her argument, quality, which is one of the justifications of trademarks according to search cost theory, might not always be achieved through trademarks when communication through advertising can replace it in some situations.

4.3. Search costs in connection with crowded field marks

It has been previously addressed that more information might create more search costs. This is not, however, definite and at least some scholars have challenged this perception. It was stated that it is not always the case, and more information may even lower search costs or that the consumers may gain more relevant information and make better decisions (and gain more benefits) through more information. Crowded field trademarks are marks that exist parallel to each other. While on one hand they provide alternative choices of signs and goods or services to the consumers compared to their counterparts (also crowded field marks) and thus create more information, they may increase the costs of consumer searches the same way as other trademarks. On the other hand, crowded field marks, which can also be sometimes described as marks with lower distinctiveness, weak marks or somewhat descriptive marks, may provide information about the characteristics and qualities of the marks so that consumer search costs are reduced. This is a dilemma that requires further answers as to what search costs are worth reducing and which are not. So far, scholars have had varying opinions on the matter, and some have even stated that it is counterproductive to pursue elimination of search costs altogether. The strength of the mark according to the likelihood of confusion assessment does not particularly take into account the relation of the mark's strength in connection with search costs. While a mark's presence in forums of consumer's searches might be strong (for example, in connection to stores, advertising or the Internet), its inherent strength might be low, which could very well be something that would, arguably, in cases of crowded field marks reduce the search costs the consumers incur when they search for products. If a somewhat descriptive or weak mark may provide information to the consumers so that they are better informed, does it create more search costs compared to a fanciful mark or actually less? The weak mark might instead provide more information and reduce search costs through its descriptive characteristics compared to a fanciful mark. In that sense crowded field marks provide more information while also reducing search costs. Nevertheless, when there are multiple crowded

³⁴¹ Ann Bartow, *Likelihood of Confusion*, *San Diego Law Review* 41(1) [online] [2004] 12, 14. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=544923 [Accessed on 19 May 2024]

field marks that all have a strong presence in the consumers search, it most likely will increase the consumers' search costs solely based on the time costs enacted through information from multiple sources.

However, it is quite established that one of the essential functions of the trademark law is to protect the interests of consumers by securing the origin function of a trademark so that consumers may identify the source of the goods or services. This also serves the purposes of search cost theory as discussed above. Crowded field marks can be argued to decrease the origin function of the trademark law through their similarity in connection with signs and goods or service, so that it might confuse consumers as to the origin on the goods or services.

It was previously discussed in relation to the relevant public that the relevant public has an effect on the likelihood of confusion assessment. While it does not necessarily have a specific effect solely on crowded field marks, the relevant public is something that must be assessed in connection with the search costs incurred by the relevant public. The relevant public is deemed as attentive and sophisticated as demonstrated by the CJEU in its judgements. Consumer attention and sophistication have a great effect on how an actual confusion may arise or render costs in the consumers' searches for the product that best meets their needs. So far, consumer attention and sophistication have been interpreted as rather low in order to protect the interests of the consumers, while simultaneously (or perhaps consequently as argued by some scholars) protecting the interests of the proprietors. Some scholars have raised concerned as to the definition of an average consumer and urge for more context as to the scientific or empirically modelled average consumer.³⁴² Perhaps this concept will be re-evaluated in the future.

During the time of great information overload through Internet and other means, it seems justified to decrease the consumers search costs and protect consumers from information that is not wanted. There is however a real concern for the balance between information that is required or wanted by the consumers in order to make better informed decisions which may also be accomplished through trademarks and even through crowded field trademarks when weighed against the search cost theory's agenda of decreasing the search costs consumers incur. It is evident that the more information there are available, it creates more opportunities for the consumers to be better informed and make better decisions regarding their purchases. However, current image of an average consumer modelled by the courts does not exactly

³⁴² Graeme Dinwoodie and Dev Saif Gangee, *The Image of the Consumer in European Trade Mark Law*, Legal Research Paper Series 83, University of Oxford [2015] 1. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2518986 [Accessed on 19 May 2024]

reflect a consumer that needs or wants information and sees information negatively by way of increasing consumer search costs.

It was previously established that crowded field as an argument does exist in the European Union trademark law and it has, but it has not as of yet been a deciding factor either denying or supporting finding of likelihood of confusion. Crowded field and congestion have an effect of making it harder for the consumers to find the products they need from a swamp of trademarks. Since the trademark law is often justified through the interests of the consumers, its economic rationales must be examined. In this section it was established that trademarks are traditionally justified through the benefits of the consumers, more precisely through the reduced costs of their searches. The consumer search cost theory is one of the most profound theories that both justifies the existence of trademarks but also provides one of the core benefits consumers gain from trademarks. Therefore, it is an important economic rationale to consider. However, scholarly literature has differing opinions on whether all search costs are worth avoiding and how search costs affect the benefits of consumers. It was discussed in this paper that search costs alone are not a decisive factor when considering what economic justifications are there for having a crowded field argument (at least an argument that denies finding likelihood of confusion). In fact, search cost theory has an interesting balancing exercise ahead of itself with information and decision-making theory. In essence, search cost theory should not alone be the economic justification for the crowded field argument since the benefits and welfare of the consumers are affected by the information they gain from competition and descriptive marks (crowded field marks) and also through other elements that affect their decision-making. Those aspects in connection with the consumer search cost theory are important to consider in order to evaluate the economic consequences of crowded field argument. Perhaps a balanced combination of all the aforementioned elements is the perfect mix to justify crowded field argument.

5 CONCLUSIONS

To conclude, crowded field as a phenomenon is a certain field or a class which incorporates many similar marks in connection to similar goods or services. It results from economical operators seeking to apply for the only remaining spaces there are left in a way that the certain class of goods or services starts to reflect the characteristics of a crowded field of trademarks.

How a crowded field is formed relates to many factors that are in play. Crowded field has its evident connection with congestion, meaning that there are ever-growing number of similar marks held by multiple different owners. Logically speaking, congested trademarks and crowded field trademarks have almost inseparable definitions. It has been established that

shorter word marks are more appealing and therefore more effective in terms of competition. This indicates that they are also in demand amongst the registrants which reasonably implies depletion and consequently potential congestion among those marks. While most of the time registrants of the depleted and congested marks do use their marks, there are also some operators which do not conform with the usage requirements which results in blockage that might occasionally render future applications in the EU refused. In addition, bad faith has an effect on the trademark congestion or crowding as well since sometimes (probably the most likely case of bad faith in trademark law) an applicant is aware of an identical or a similar mark being used and still proceeds to apply for an identical or similar mark regardless of the prior mark. It has been researched that the oppositions filed in EU rarely end up to Oppositions Division for a decision partly due to a cooling-off period implemented into the registration phase. In addition, some similar or even identical marks do agree on coexistence which could naturally lead to crowding of a field while also bypassing the eyes of the office.

One major aspect to consider when evaluating how crowded fields are formed relates to *ex officio* examination of relative ground for refusal. While EUIPO does not *ex officio* examine the relative grounds of refusal, it may very well enable new entrants to start forming crowded fields or enter an already crowded field. Perhaps that should be one of the most important aspects to consider and amend when trying to avoid crowded fields and congestion. The role of the EUIPO should be elevated in connection with the relative grounds for refusal.

It can be distinguished that crowded field as a phenomenon exists in the European Union trademark law, in fact, there is extensive empirical evidence to support that. However, the crowded field as an argument to deny finding of likelihood of confusion in the trademark opposition proceedings in European Union has not been evidently successful. Instead, it seems that most opposition proceedings in EU do follow the principal rule of the relative ground for refusal where a trademark shall not be registered if it is similar with an earlier mark and has similarity in connection to their goods or services. Most importantly, the submitted evidence in the opposition proceedings by the applicant trying to show that the marks involved do belong in a crowded field and that the field is in fact crowded (with third-party marks) has not been compelling enough in the eyes of the Opposition Division, the board or the courts. It was stated that mere registrations do not actually show the market status, but the evidence must demonstrate actual market status to support such claims.

In this paper it was identified that crowded field of trademarks corresponds to a lower degree of distinctiveness or marks in such field being weak otherwise. It was argued in this paper and by, for example, Robert G. Bone that distinctiveness is affected by third-party uses of similar marks in a way that the distinctiveness is lower when there are more similar marks on the

market. In the spectrum of marks' strengths, it was distinguished that crowded field marks could be likely deemed as descriptive, suggestive or allusive marks which seem to have characteristics similar to marks within a crowded field. Descriptive marks are naturally the kind of marks that tend to be congested since many operators in the market want to describe their products with signs which signal the characteristics of the mark. In terms of descriptive marks, the information they depict of the characteristics and quality of the product, actually lowers search costs. This has also been noted by Landes and Posner. Often, it is seen that similarity of marks and goods/services is bad, but in the case of descriptive marks, it might be quite the opposite in terms of their ability to share information. Proprietors should be allowed to truthfully describe their products which statement is generally in line with the current interpretation of the trademark law.

It has been further described by *inter alia* the Opposition Division, that low distinctive character could be demonstrated as an applicant in the opposition proceedings when referring to a crowded field. However, mere mark registrations cannot per se conclusively indicate that when there are many similar marks involved, that they have a lower distinctive character. The opposition division has frequently stated that the amount of mark registrations does not necessarily reflect the situation in the market. Another important aspect to consider is that the examination in the opposition proceedings principally only concerns the two marks in conflict in the opposition proceedings. Therefore, indicating that other similar marks could be left out of the overall examination. However, the statements of the Opposition Division, for example, interestingly simultaneously paint a picture where on the one hand third-party marks might be of value in the opposition proceedings and on the other hand, examination is conducted between the two marks at play. This leaves room to consider whether or not it is, in fact, possible in certain cases to demonstrate widespread use and existence of many similar third-party marks with similar goods or services in the market. So, the current application of this concept is yet unclear and inconsistent. However, it was determined in the research that demonstration of crowded field as a denying argument has not yet been evidently decisive in the opposition proceedings in EU so far.

It must always be noted that proceedings require case specific analysis, not just whether there are multiple other similar marks with similar goods or services. Therefore, marks existing in a crowded field cannot alone be considered as the decisive factor as of now. The same nevertheless applies to other elements considered in connection with the likelihood of confusion analysis in which many aspects are being considered.

In terms of search costs theory, it seems that trademark law has been traditionally and fundamentally justified through the benefits of the consumers. Some scholars argue that

actually search cost theory is more suitable for the proprietary benefits rather than consumer benefits. This raises concerns for the aims of the theory and how trademark law should be built or justified.

Nevertheless, according to traditional interpretation of the search cost theory, more information on the market increases search costs. Therefore, indicating that the more there are similar marks with similar goods or services, the more consumers' costs increase, because there is more information. However, considering that the other benefits the consumers gain from increased competition through similar marks can be justified by increased information which ultimately corresponds to better decisions, which are actually the decisive events which results into consumers being affected by the trademark and the actual utility the trademarked product provides. As crowded field marks may often depict descriptive characteristics, they do decrease search costs of the consumers. However, it is equally likely that multiple similar marks with similar signs in connection with similar products cause increased search costs for the consumers. Search cost theory, while being one of the core theories of trademark law, should not alone be a decisive theory to address the economic justification of crowded field argument. It should be complemented with balancing exercise that considers the benefits and welfare of consumers gained through information, competition and decision-making factors. The combination of these is tough to balance, but ultimately seems to overall benefit the consumers best. Considering the search cost theory and the overall benefit for the consumers, registration of crowded field marks seems justified. However, considering the crowding and cluttering of the trademark universe, a stricter approach in terms of evaluating likelihood of confusion as well as non-use *ex officio* could best benefit the trademark system.

Another aspect that touches upon the search costs theory is the consumer sophistication. The amount of credit that is given to consumers about their attention and sophistication is something that should be taken into account in opposition proceedings and courts. In this paper it was distinguished that *inter alia* the courts' interpretations of the consumer knowledge and sophistication reflect merely their image of consumers rather than the actual state of consumer's sophistication. The courts have not been consistently applying the image of an actual consumer. This does not necessarily mean that the courts have misinterpreted the image of consumer, but instead it indicates that there is such a possibility. However, it must be noted that actual evidence may not be available at all since the marks at issue may not yet have been used in the commerce effectively, at least often in terms of the latter mark applied for. A possible future consideration in order to combat such dilemma would be to strengthen the analysis of the consumer's attention and sophistication through empirical evidence that the courts may use to determine how consumers would actually react to certain marks or

elements of them. In addition, analysis of the behavioural economics might also provide useful remarks to the consumer sophistication dilemma in likelihood of confusion assessment.

This paper did not specifically focus on extensive empirical data which could potentially more accurately distinguish crowded fields from the trademark universe. Further empirical research might provide some more concrete evidence on both the phenomenon and the argument of crowded fields. As the scholarly literature further navigates the complexities of crowded field, hopefully the insights gathered in this research may serve as a catalyst for future discourse.

6 BIBLIOGRAPHY

Legislation

Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark [2009] OJ L 78

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 trade marks "EUTMD" [2015] OJ L 336

Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, "EUTMR" [2017] OJ L 154

Trademark Act, 15 U.S.C.

Literature

Agnieszka Sztoldman, The Lionel Messi Case: Trade Mark's Reputation Blurred with Personal Notoriety, *European Intellectual Property Review* 43, 6 [online] [2021] Available at: https://www.researchgate.net/publication/350994582_The_Lionel_Messi_case_-_Trademark's_reputation_blurred_with_personal_notoriety

Alan D. Baddeley, Neil Thomson and Mary Buchanan, Word Length and the Structure of Short-Term Memory, *Journal of Verbal Learning and Verbal Behavior*, 14. [online] [1975] Available at: <https://labs.la.utexas.edu/gilden/files/2016/03/1-s2.0-S0022537175800454-main.pdf>

Ann Bartow, Likelihood of Confusion, *San Diego Law Review*, 41, 721, [online] [2004] Available at: <https://digital.sandiego.edu/cgi/viewcontent.cgi?article=3011&context=sdlr>

Annette Kur, Convergence After All? A Comparative View on the U.S. and EU Trademark System in the Light of the "Trade Mark Study", *Journal of Intellectual Property Law* 19(4) [2012]

Annette Kur, Thomas Dreier, and Stefan Luginbuehl, *European Intellectual Property Law: Text, Cases and Materials*, Second Edition, Edward Elgar

Publishing Limited, [online] [2019]. Available at: ProQuest Ebook Central, <https://ebookcentral.proquest.com/lib/hanken-ebooks/detail.action?docID=6005289>.

Apostolos Chronopoulos, Determining the Scope of Trademark Rights by Recourse to Value Judgements Related to the Effectiveness of Competition - The Demise of the Trademark-Use Requirement and the Functional Analysis of Trademark Law, *International Review of Intellectual Property and Competition Law*, Vol. 42 [online] [2011] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1904641

Ariel Katz, Beyond Search Costs: The Linguistic and Trust Functions of Trademarks, *Brigham Young University Law Review*, 5(3), [online] [2010] Available at: <https://digitalcommons.law.byu.edu/cgi/viewcontent.cgi?article=2554&context=lawreview>

Arsha Hasan, Color Blocking: How the Harmonization of Color Protection May Catalyze Color Depletion in Global Markets, *Indiana Journal of Global Legal Studies* 23(1), [online] [2016] Available at: <https://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=1613&context=ijgls>

Barton Beebe and C. Scott Hemphill, The Scope of Strong Marks: Should Trademark Law Protect the Strong More than the Weak, *Law & Economics Research Paper Series Working Paper No. 18-04* [online] [2018] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3073130

Barton Beebe and Jeanne C. Fromer, The Future of Trademark in a Global Multilingual Economy: Evidence and Lessons from the European Union, *International Trademark Association, The Trademark Reporter* vol 112, 6 [online] [2022] 906. Available at: https://www.inta.org/wp-content/uploads/public-files/resources/the-trademark-reporter/TMR-Vol-112-No-06_Beebe-Fromer.pdf

Barton Beebe and Jeanne C. Fromer, The Future of Trademarks in a Global Multilingual Economy: Evidence and Lessons from the European Union, *Trademark Reporter* 112(23-31) [online] [2015] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4309005

Barton Beebe and Jeanne C. Fromer, The problems of trademark depletion and congestion: some possible reforms, in *Research Handbook on Trademark Law Reform* 17 (Graeme B. Dinwoodie and Mark D. Janis, eds., Edward Elgar Publishing) [online] [2021] Available at: https://books.google.fi/books?id=9sIpEAAAQBAJ&pg=PA17&lpq=PA17&dq=%22barton+beebe%22+%22the+problems+of+trademark+depletion%22&source=bl&ots=zEUOroxqHM&sig=ACfU3UoDSO-EoFv-foWoDinK-bNEZZT5FA&hl=en&sa=X&ved=2ahUKEwi9ypX4gP_1AhXl-ioKHchGDXQQ6AF6BAgMEAM#v=onepage&q=%22barton%20beebe%22%20%22the%20problems%20of%20trademark%20depletion%22&f=false

Barton Beebe, *Trademark Law: An Open-Source Casebook*, ver. 8, [online] [2021] Available at: https://www.tmcasebook.org/wp-content/uploads/2021/07/BeebeTMLaw-v8-digital_edition.pdf

Barton Beebe and Jeanne C. Fromer, *Are We Running Out of Trademarks? An Empirical Study of Trademark Depletion and Congestion*. *Harvard Law Review*, [online] 131(4), [2018]. Available at: <https://harvardlawreview.org/wp-content/uploads/2018/02/945-1045.pdf>

Carolina Castaldi, The Economics and Management of Non-Traditional Trademarks, in *The Protection of Non-Traditional Trademarks: Critical Perspectives*, Oxford University Press, [online] [2018] Available at: <https://oxford.universitypressscholarship.com/view/10.1093/oso/9780198826576.001.0001/oso-9780198826576-chapter-14>

Cass R. Sunstein, Christine Jolls and Richard H. Thaler, A Behavioural Approach to Law and Economics, *Stanford Law Review* 50, [online] [1998] Available at: https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=12172&context=journal_articles

Daniel J. Hemel and Lisa Larrimore Ouellette, *Trademark Law Pluralism*, *The University of Chicago Law Review*, [online] [2021] Available at: https://lawreview.uchicago.edu/sites/lawreview.uchicago.edu/files/HemelOuellette_Trademark%20Law%20Pluralsim_88.5UCLR1025.pdf

David A. Simon, *Trademark Law & Consumer Safety*, *Florida Law Review*, 72, [online] [2020] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3517382

David W. Barnes, A New Economics of Trademarks, *Northwestern Journal of Technology and Intellectual Property* 5(1), [online] [2006] Available at: <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1048&context=njtip>

David W. Barnes, Congestible Intellectual Property and Impure Public Goods, *Northwestern Journal of Technology and Intellectual Property* 9(8), [online] [2011] Available at: <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1152&context=njtip>

Dev S. Gangjee, Property in Brands, Gangjee, Dev S., Property in Brands (March 19, 2013). 'Property in Brands: The Commodification of Conversation' in H. Howe and J. Griffiths (eds) *Property Concepts in Intellectual Property Law* (Cambridge), Forthcoming, [online] [2013] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2235721

Edward J. Heath and John M. Tanski, Drawing the Line Between Descriptive and Suggestive Trademarks, *Commercial & Business Litigation* Vol 12, 1 [online] [2010] Available at: <https://www.rc.com/upload/ARTICLE-Drawing-the-Line-Between-Descriptive-and-Suggestive-Trademarks-Heath-Fall-2010.pdf>

Georg von Graevenitz, and Christine A. Greenhalgh, and Christian Helmers, and Philipp Schautschick, Trade Mark Cluttering: An Exploratory Report, Intellectual Property Office Research Paper No. 2012/11 [online] [2015] Available at: <http://dx.doi.org/10.2139/ssrn.2710618>

George J. Stigler, The Economics of Information, *The Journal of Political Economy*, 69(3), [online] [1961] Available at: <https://agecon2.tamu.edu/people/faculty/capps-oral/agec%20635/Readings/The%20Economics%20of%20Information,.pdf>

George Kingsley Zipf, *The Psycho-Biology of Language*, The M.I.T. Press [online] [1935] Available at: https://www.iqla.org/includes/basic_references/Zipf_1935_1965_Psycho-Biology_Language.pdf

Giovanni B. Ramello, What's in a Sign? Trademark Law and Economic Theory, POLIS Working Paper 73, [online] [2006] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=894421

Graeme B. Dinwoodie, *The Death of Ontology: A Teleological Approach to Trademark Law*, *Iowa Law Review* 84(4), [online] [1999] Available at: https://scholarship.kentlaw.iit.edu/fac_schol/907/

Graeme Dinwoodie and Dev S. Gangjee, *The Image of the Consumer in European Trade Mark Law*, *Oxford Legal Studies Research Paper* 83, [online] [2015] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2518986

Greg Lastowka, *Google's Law*, *Brooklyn Law review*, 73(4), [online] [2008] Available at: <https://brooklynworks.brooklaw.edu/cgi/viewcontent.cgi?article=1304&context=blr>

Ilanah Fhima and Dev Gangjee, *The Confusion Test in European Trade Mark Law*, Oxford University Press [2019]

Ilanah Simon Fhima, *Initial Interest Confusion*, *Journal of Intellectual Property Law and Practice* 311, [online] [2014] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2382000

Ilanah Simon Fhima, *The Court of Justice's protection of the advertising function of trade marks – an (almost) sceptical analysis*, *Journal of Intellectual Property Law and Practice* 325, [online] [2012] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2112000

IPO, *Cluttering and Non-Use of Trade Marks in Europe*, *Intellectual Property Office Research Paper* [online] [2015] Available at: <http://dx.doi.org/10.2139/ssrn.4095957>

Irina Pak, *The Expansion of Trademark Rights in Europe*, *IP Theory* 3(2), [online] [2013] Available at: <https://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=1026&context=ipt>

J. Thomas McCarthy, *Trademarks and Unfair Competition*, 4th ed. [2017]

Jan M. Smits, *What is Legal Doctrine? On the Aims and Methods of Legal Dogmatic Research*. Maastricht European Private Law Institute Working Paper, No. 2015/06, [online] [2015] Available at: <http://ssrn.com/abstract=2644088>

Jeanne C. Fromer, *Against Secondary Meaning*, *Notre Dame Law Review* Vol.98, 1 (4) [2022] [online] Available at:

<https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=5043&context=ndlr>

Kevin Lane Keller, Susan E. Heckler and Michael J. Houston, The Effects of Brand Name Suggestiveness on Advertising Recall, *Journal of Marketing* [online] [1998] Available at: https://www.researchgate.net/publication/255603810_The_Effects_of_Brand_Name_Suggestiveness_on_Advertising_Recall

Lisa Larrimore Ouellette, *Does Running Out of (Some) Trademarks Matter?* *Harvard Law Review Forum*, 131, [online] [2018]. Available at: https://harvardlawreview.org/wpcontent/uploads/2018/02/vol131_Ouellette.pdf

Louis Kaplow and Steven Shavell, *Economic Analysis of Law*, Harvard Law School and National Bureau of Economic Research. [online] [1999] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=150860

Mark A. Lemley and Mark McKenna, *Irrelevant Confusion*, Stanford Public Law Working Paper 413, [online] [2009] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1407793

Mark D. Janis and Graeme B. Dinwoodie, *Confusion Over Use: Contextualism in Trademark Law*, *Articles by Maurer Faculty* 361, [online] [2007] Available at: <https://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=1361&context=facpub>

Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, *Virginia Law Review* [online] [2012] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1988521

Mark P. McKenna, *The Normative Foundations of Trademark Law*, *Notre Dame Law Review* 82(5), [online] [2007] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=889162

Mark P. McKenna, *Trademark Use and the Problem of Source*, *Notre Dame Law School*, [online] [2009] Available at: https://scholarship.law.nd.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1328&context=law_faculty_scholarship

Mathias M. Siems, Legal Originality, *Oxford Journal of Legal Studies* 28, [online] [2007] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=976168

Mathias Strasser, *The Rational Basis of Trademark Protection Revisited: Putting the Dilution Doctrine into Context*, *Fordham Intellectual Property, Media and Entertainment Law Journal*, 10(2), [online] [2016] Available at: <https://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=1643&context=iplj>

Miquel Peguera, *Trademark Functions and Trademark Rights*. In: *Intellectual Property Scholars Conference*. United States, Berkeley, [online] [2014] Available at: https://www.law.berkeley.edu/files/Peguera_Miquel_IPSC_paper_2014.pdf

Mitchell Adams and Amanda Scardamaglia, *Non-Traditional Trademarks An Empirical Study*, Oxford University Press, [online] [2018] Available at: <https://oxford.universitypressscholarship.com/view/10.1093/oso/9780198826576.001.0001/oso-9780198826576-chapter-3>

Mohammad A. Naser, *Rethinking the Foundations of Trademarks*, *Buffalo Intellectual Property Law Journal*, 5(1), [online] [2007] Available at: <https://digitalcommons.law.buffalo.edu/cgi/viewcontent.cgi?article=1074&context=buffaloipjournal>

Nicholas S. Economides, *The Economics of Trademarks*, *Trademark Rep.* 523, [online] [1988] Available at: http://neconomides.stern.nyu.edu/networks/Economides_Economics_of_Trademarks.pdf

P. Sean Morris, *The Economics of Distinctiveness: The Road to Monopolization in Trade Mark Law*, *Loyola of Los Angeles International and Comparative Law Review* 33(3), [online] [2011] Available at: <https://digitalcommons.lmu.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1666&context=ilr>

Paul Maeyaert and Jeroen Muyldermans, *Likelihood of Confusion in Trademark Law: A Practical Guide Based on the Case Law in Community Trade Mark Oppositions From 2002 to 2012*, *The Law Journal of the Intellectual Trademark Association*, 103(5), [online] [2013] Available at:

<https://heinonline.org/HOL/LandingPage?handle=hein.journals/thetmr103&div=31&id=&page=>

Rebecca Tushnet, Registering Disagreement: Registration in Modern American Trademark Law, *Harvard Law Review*, (130) [online] [2016] 929. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2735013

Richard A. Posner, Values and Consequences: An Introduction to Economic Analysis of Law, Sandor Institute for Law & Economics Working Paper No. 53 [online] [1998] Available at: https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=1607&context=law_and_economics

Robert Burell and Michael Handler, (Re)Claiming Trade Mark Protection, in Graeme B Dinwoodie and Mark D Janis (eds), *Research Handbook on Trademark Law Reform*, Edward Elgar, University of New South Wales Law Research Series [online] [2021] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3776893

Robert G. Bone, Taking the Confusion Out of "Likelihood of Confusion": Toward a More Sensible Approach to Trademark Infringement, *Northwestern University Law review*, 106(3), [online] [2012] Available at: <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1105&context=nulr>

Sanne Taekema, Theoretical and Normative Frameworks for Legal Research: Putting Theory in Practice, *Law and Method* [online] [2018] Available at: <https://www.lawandmethod.nl/tijdschrift/lawandmethod/2018/02/lawandmethod-D-17-00010/fullscreen>

Stacey L. Dogan, Bounded Rationality, Paternalism, and Trademark Law, *Houston Law Review* 56(2), [online] [2018] Available at: <https://houstonlawreview.org/article/6775-bounded-rationality-paternalism-and-trademark-law>

Stacey L. Dogan and Mark A. Lemley, A Search-Costs Theory of Limiting Doctrines in Trademark Law, *Boston University School of Law, The Trademark Reporter* 97(6), [online] [2007] Available at: https://scholarship.law.bu.edu/cgi/viewcontent.cgi?article=1664&context=faculty_scholarship

Stacey L. Dogan and Mark A. Lemley, Trademarks and Consumer Search Costs on the Internet, Stanford Law and Economics Olin Working Paper, 294 [online] [2004] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=560725

Steven John Olsen, Mixed Signals in Trademark's "Likelihood of Confusion Law": Does Quality Matter?, Valparaiso University Law Review 44(2), [online] [2010] Available at: <https://scholar.valpo.edu/cgi/viewcontent.cgi?article=1055&context=vulr>

Timothy Denny Greene and Jeff Wilkerson, Understanding Trademark Strength, Stanford Technology Law Review, 16(3) [online] [2013] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2208838

William M. Landes and Richard A. Posner, *The Economic Structure of Intellectual Property Law*, Harvard University Press [online] [2003] Available at: <https://ebookcentral.proquest.com/lib/hanken-ebooks/reader.action?docID=3300646&query=>

William M. Landes and Richard A. Posner, *Trademark Law: An Economic Perspective*. The Journal of Law and Economics, 30(2), [online] [1987] Available at: <https://www.jstor.org/stable/725498>

Case Law

Court of Justice of the European Union

Case C-251/95 SABEL v. Puma, Rudolf Dassler Sport [1997] ECLI:EU:C:1997:528

Case C-39/97 Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc. [1998] ECLI:EU:C:1998:442

Case C-108/97 Windsurfing Chiemsee [1999] ECLI:EU:C:1999:230

Case C-342/97 Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV [1999] ECLI:EU:C:1999:323

Case C-37/03 P, BioID [2005] ECLI:EU:C:2005:547

Case C-106/03 P Vedral SA v Office for Harmonisation in the Internal Market (OHIM) [2004] ECLI:EU:C:2004:611

C-398/07 P Waterford Wedgwood v Assembled Investments (Proprietary) and OHIM [2009] ECLI:EU:C:2009:288

C-498/07 P Aceites del Sur-Coosur, anciennement Aceites del Sur v EUIPO [2009] ECLI:EU:C:2009:503

Case C-529/07 - Chocoladenfabriken Lindt & Sprüngli [2009] ECLI:EU:C:2009:361

Case C-552/09 P Ferrero SpA v Office for Harmonisation in the Internal Market (OHIM) [2011] ECLI:EU:C:2011:177

Case C-532/10 adp Gauselmann v OHIM [2011] ECLI:EU:C:2011:433

Case C-655/11 P Seven for all mankind v Seven [2013] ECLI:EU:C:2013:94

Case C-328/18 P European Union Intellectual Property Office (EUIPO) v Equivalenza Manufactory SL [2020] ECLI:EU:C:2020:156

Case C-328/18 P European Union Intellectual Property Office (EUIPO) v Equivalenza Manufactory SL [2019] ECLI:EU:C:2019:974, Opinion of AG Saugmandsgaard

Case C-371/18 *Sky plc and Others v Skykick UK Limited and Skykick Inc*, [2020] ECLI:EU:C:2020:45

Federal Circuit Court (US)

In re E.I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ (CCPA) [1973]

In re Coors Brewing Co., 343 F.3d 1340, 1345 (Fed.Cir.) [2003]

Juice Generation, Inc. v. GS Enters LLC, 794 F.3d 1334, 115 USPQ2d (Fed. Cir.) [2015]

Jack Wolfskin Ausrüstung Fur Draussen GmbH & Co. KGAA v. New Millennium Sports, S.L.U., 797 F3d 1363, 116 USPQ2d (Fed. Cir.) [2015]

Spireon, Inc. v. Flex Ltd., No. 2022-1578 (Fed. Cir.) [2023]

Stratus Networks, Inc. v. UBTA-UBET Commc'ns Inc., 955 F.3d 994, 2020 USPQ2d 10341, at *3 (Fed. Cir.) [2020]

General Court of the European Union

Case T-36/01, Glass Pattern [2002] ECLI:EU:T:2002:245

Case T-31/03 Grupo Sada v OHMI [2005] ECLI:EU:T:2005:169

Case T-88/05 Quelle v OHMI - Nars Cosmetics (NARS) [2007] ECLI:EU:T:2007:45

Case T-106/09 adp Gauselmann v OHMI [2010] ECLI:EU:T:2010:380

Case T-291/09 Carrols v OHMI [2012] ECLI:EU:T:2012:39

Case T-107/10 Procter & Gamble Manufacturing Cologne v OHMI [2011] ECLI:EU:T:2011:551

Cases T-424/10 Dosenbach-Ochsner v OHIM [2012] ECLI:EU:T:2012:58

Case T-179/11 Sport Eybl & Sports Experts v OHMI [2012] ECLI:EU:T:2012:254

Case T-393/11 - Masottina v OHMI [2013] ECLI:EU:T:2013:241

Case T-460/11 Scandic Distilleries v OHMI [2012] ECLI:EU:T:2012:432

Case T-342/12 Fuchs v OHIM [2014] ECLI:EU:T:2014:858

Case T-523/12 Rani Refreshments v OHMI - Global-Invest Bartosz Turek (Sani) [2014] ECLI:EU:T:2014:571

Case T-533/12 IBSolution v OHIM [2013] ECLI:EU:T:2013:582

Case T-145/14 adidas v OHIM [2015] ECLI:EU:T:2015:303

Case T-596/15, Batmore Capital Ltd v EUIPO [2017]
ECLI:EU:T:2017:103

Office of Harmonization in the Internal Market (Trade Marks and Designs) /
European Union Intellectual Property Office

Case R 472/2009-4, OHIM, Opposition Division, Opposition No.
B 1 214 493, Molinari v. Anna Molinari [2009]

OHIM, Opposition Division, Opposition No. B 133167,
EUROGUARD v. EUROCARD [2001]

OHIM / EUIPO Board of Appeal

Case R 121/2011-4, Skype / Sky et al. [2013]

Supreme Court of The United States

United States Patent and Trademark Office v. Booking.com B. V.
591 No. 19–46 [2020]

Trademark Trial and Appeal Board and United States Court of Customs and
Patent Appeals

Sure-Fit Products Co. v. Saltzson Drapery Co., 254 F.2d 158, 45
(CCPA) [1958]

Tektronix, Inc. v. Daktronics, Inc., 534 F.2d 915 [189 USPQ 693]
(CCPA) [1976]

Midnight Velvet, Inc. v Sabre Retail Fashion Limited, No.
91223400, TTAB [2017]

In re FabFitFun, Inc. v USPTO, No. 86847381, TTAB [2018]

In re Boston Juicery, LLC, No. 86877537, TTAB [2018]

In re FabFitFun, Inc. v USPTO, No. 86847381, TTAB [2018]

In re Garan Services Corp. v USPTO, No. 88674888, TTAB [2021]

Other Sources

European Union Intellectual Property Office (EUIPO), Trade Mark and Design Guidelines, [online] Available at: <https://guidelines.euipo.europa.eu/1922895/1923283/trade-mark-guidelines/1-introduction>

European Union Intellectual Property Office (EUIPO), Guidelines For Examination of European Union Trade Marks, [online] Available at: https://euipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/trade_marks/Draft_Guidelines_WP_1_2017/16_part_c_opposition_section_2_identity_and_likelihood_of_confusion_chapter_1_general_principles_tc_2017_en.pdf

Cambridge English Dictionary, a search for "co-" [online]. Available at: <https://dictionary.cambridge.org/dictionary/english/co>

P. Sean Morris, Trademark Economic Activities, [online] [2016] Available at: https://helda.helsinki.fi/bitstream/handle/10138/328918/Morris_revised2021.pdf?sequence=1

United States Patent and Trademark Office, Trademark applications - intent-to-use (ITU) basis. Available at: <https://www.uspto.gov/trademarks/apply/intent-use-itu-applications>