



What's in a name? Claude Ruiz Picasso and others v OHIM

Case C-361/04 P

The European Court of Justice ("ECJ") has rejected the appeal by the Estate of Pablo Ruiz Picasso against the decision of the Court of First Instance ("CFI") which had dismissed the Estate's opposition to the application for registration of the word mark PICARO by DaimlerChrysler AG. Before that, the Estate's opposition had been dismissed by OHIM and the Third Board of Appeal. As the Advocate General observed, the case is set against the background of the ongoing debate about likelihood of confusion and the application of Article 8(1)(b) of the Community Trade Mark Regulation No. 40/94.

Background to the Dispute

In 1998, DaimlerChrysler AG applied to register as a community trade mark the work mark PICARO in respect of goods and services in Class 12 which correspond to the description: "Vehicles and parts therefor, omnibuses". The Picasso Estate lodged an opposition against the application as it had registered an earlier community trade mark PICASSO in respect of goods in Class 12, corresponding to the description: "Vehicles; apparatus for locomotion by land, air or water, motor cars, motor coaches, trucks, vans, caravans, trailers". The Estate does not of course manufacture cars. It licenses the PICASSO mark to Peugeot Citroen which manufactures and sells one of its Xsara models under the mark. It may be that the opposition proceedings were motivated by the licensing arrangement and Citroen's desire to protect the value of its investment.

The Estate relied on Article 8 of Regulation No. 40/94, which sets out the relative grounds for refusal, and Article 8(1)(b) in particular, alleging the existence of a likelihood of confusion. Article 8(1)(b) provides that, upon opposition by the proprietor of an earlier trade mark, the trade mark in respect of which the application is made shall not be registered:

"if because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark."

As mentioned above, the Opposition Division of OHIM rejected the Estate's opposition in 2001. The Picasso Estate appealed against the rejection. The Third Board of Appeal of OHIM dismissed that appeal. The Board came to its decision based on the high level of attention of the relevant public in purchasing goods covered by the signs in issue, the fact that the marks in issue were not similar at either a phonetic or a visual level and that the conceptual impact of the PICASSO mark was, in any event, such as to counteract any possible phonetic and/or visual similarity between the two marks. Undeterred, the Picasso Estate appealed to the Court of First Instance ("CFI"). It fared little better. The CFI upheld the Board of Appeal's decision, concluding that there was no likelihood of confusion between the two marks. It found that:

1. Disagreeing with the Board of Appeal, the marks were visually and phonetically similar but the degree of phonetic similarity was low.
2. The work mark PICASSO was particularly well known to the relevant public as being the name of the famous artist Pablo Picasso. PICARO, by contrast, had no "semantic content" for the majority of the relevant public.

In Spanish, "picaro" means a cheeky, roguish, low life character, although one not without a certain appeal (query, even so, why DaimlerChrysler would want to bring out a make of car under the mark). The character features in the works of Spanish literature known, unsurprisingly, as "picaresque". The word may therefore have some resonance with Spanish speakers but perhaps little beyond that, apart from with die-hard Tintin fans who may remember *Tintin et les Picaros*. Suffice it to say, the sign does not have the connotations of PICASSO.



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The CFI had no difficulty in finding that the signs were not similar from the conceptual point of view.

3. Such conceptual differences could in certain circumstances counteract the visual and phonetic similarities between the signs concerned. This would be the case where at least one of the signs had a clear and specific meaning so that the public was capable of grasping it immediately. The CFI concluded that the mark PICASSO was such a sign. The conceptual differences were such as to counteract the visual and phonetic (which was low in any event) similarities between the two signs.
4. In view of the nature of the goods, their price and their highly technical character, the degree of attention of the relevant public at the time of purchase was high.

Clearly not prepared to go down without a fight, the Estate again appealed. The ECJ rejected the appeal.

Appeal to the ECJ

The Estate's appeal was based on four arguments:

- First, it claimed that the CFI had misapplied Article 8(1)(b) of Regulation No. 40/94, in particular with regard to the criterion "similarity to the earlier trade mark".
- Secondly, it argued that the CFI did not correctly apply the rule according to which the greater its distinctive character (either perse or because of the reputation it possesses on the market) the broader the protection which a mark enjoys.
- Its third and fourth arguments centred around the finding by the CFI that, for the purposes of assessing the likelihood of confusion in opposition proceedings, account must be taken of the level of attention of the average customer at the time when he prepares and makes his choice between different goods or services. The Picasso Estate considered that such an interpretation was too restrictive since consumers come across goods even when they do not have an intention to buy them and marks also have a post-sale purpose. It argued that, accordingly, the ECJ had failed to have regard to the rule formulated by the ECJ in its decision in the *Arsenal Football Club* case (2002 ECR I-10273). This, it claimed, provided that the mark must be protected against possible confusion not only at the time of purchase of the product concerned, but also before or after a purchase. The Estate argued that the rule should operate in the same way regardless of whether the assessment of likelihood of confusion was being made under Article 8(1)(b) of Regulation No. 40/94, as here, or under Article 9(1)(b) of that Regulation in the context of seeking to establish trade mark infringement as a result of use of the sign.

Similarity to the Earlier Mark

The Picasso Estate objected to the CFI's conclusion that the meaning which attaches to a famous name such as PICASSO can give rise to such a degree of conceptual difference between the signs that any visual or phonetic similarities are overcome.

The ECJ confirmed previous case law that, in assessing the likelihood of confusion, the issue must be considered globally, taking into account all factors relevant to the circumstances of the case. It highlighted a number of such factors including the recognition of the trade mark on the market, the association which can be made with the used or registered sign and the degree of similarity between the trade mark and the sign and between the goods and services identified. It added that the 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, taking into account, in particular, their distinctive and dominant components.

The ECJ considered that the CFI had not erred in law in concluding that the meaning of the PICASSO mark was clear and specific and could be grasped immediately by the relevant public and that accordingly the conceptual differences between the PICASSO and PICARO signs counteracted any visual and phonetic similarities between them.

The ECJ also dismissed the Estate's contention in this regard that the CFI had failed to take into account the category of goods concerned in judging the similarities between the respective signs. The ECJ referred to several paragraphs in the Judgment of the CFI where it believed that the category of goods had been considered. In the ECJ's view, the CFI had dealt appropriately: the PICASSO mark inevitably gave rise in the minds of the relevant public to the artist Pablo Picasso and the artist's renown with that section of the public was so significant that it greatly reduced the



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resonance with which PICASSO is endowed as a mark of motor vehicles.

Distinctive Character of the Mark

The Picasso Estate argued that the PICASSO sign was highly distinctive per se and that the CFI had not considered the inherent distinctive qualities of the mark. The ECJ dismissed the argument. In its view, the CFI had, after factual assessment (which it was not open to the ECJ to review), judged that the Estate's sign was devoid of any highly distinctive character per se with respect to motor vehicles, the category in issue.

Level of attention

The ECJ referred to earlier case law which established that, in assessing the question of whether there is a likelihood of confusion, the Court should bear in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in issue (see the *Lloyd Schuhfabrik Meyer* case C-342/97). Against this background, the CFI was entirely correct to conclude that account must be taken of the fact that the average consumer shows a particularly high level of attention at the time of purchase of motor vehicles. Their character, particularly their price and highly technical nature, were all relevant factors. The ECJ emphasised that, after examination of the facts, it was clear that the particular character of the product meant that the average consumer only purchased it after conducting a careful analysis. That must be weighed in the balance and the Court accepted that this might reduce the likelihood of confusion between marks at the key time when a choice was made between the goods.

Further, the fact that the public might display a lower level of attention towards both the goods and the marks outside the context of purchase did not mean that there was not a heightened level of attention at the time of purchase. There would always be circumstances in which the public would bestow little attention on particular goods or their marks and it was not helpful to take into account the moment of the lowest degree of attention. It would undermine the concept that the public exhibits a variable level of attention.

The ECJ distinguished *Arsenal Football Club* on which the Estate had relied. Readers will recall that, in *Arsenal*, scarves, hats and other football memorabilia were being sold by a trader on a stall outside Arsenal's North London football ground. The merchandise had affixed to it trade marks identical to those owned by Arsenal Football Club. The trader made it clear by a notice on his stall that the clothing and other articles were not official Arsenal merchandise. While this notice might have alerted customers to the fact that the scarves etc were not officially endorsed by the Club at the point of sale, the ECJ did not consider that that was all that it needed to consider. It also looked at whether consumers who encountered the various products after they had been purchased and away from the point of sale, might believe that the sign on the goods designated their place of origin as Arsenal Football Club.

In the *Picasso* case, the ECJ stated that the Court in *Arsenal* had not in any way laid down a general rule that, in assessing whether there was a likelihood of confusion within the meaning of Article 5(1)(b) of the Trade Mark Directive 89/104 or Article 8(1)(b) of Regulation No. 40/94, there was no need to refer specifically to the particularly high level of attention shown by consumers when buying certain categories of goods.

Finally, the ECJ rejected the Estate's remaining submission that the CFI had held that the concept of likelihood of confusion under Article 8(1)(b) and Article 9(1)(b) of Regulation No. 40/94 must be interpreted differently. The CFI had not made any such finding.

The Estate's arguments failed on every count.

Comment

This case highlights the difficulty which is faced by owners of marks which are in effect a famous name. It seems that, the greater the recognition of that mark by the public, the more well known the personality, the harder it will be to establish a likelihood of confusion. Further, as the *Picasso* case demonstrates, this uphill battle is not won by being able to show visual or phonetic similarity. The mark's renown may well overcome such similarity.

While the distinctiveness of a famous name, whether acquired or inherent, might assist in proceedings for trade mark infringement, it appears to be something of a burden in the context of opposition proceedings when assessing the famous mark against the new application. The ECJ Judgment can only really serve to reduce the breadth of



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protection which marks consisting of famous names will enjoy. As such, it is in step with earlier decisions such as the *Elvis Presley* case, the *Diana, Princess of Wales* case and *Linkin Park* where the US group tried unsuccessfully to register its name in response of posters, books and other printed matter in the UK. It has been said by commentators that there seems to be a desire on the part of the Courts to limit the protection available to famous name marks.

Such a desire cannot in every case be driven by the sensibilities expressed by the Advocate General in the *Picasso* case that the names of great artists should be protected from “insatiable commercial greed”, to avoid trivialising their work but he certainly seems to have been influenced by it here. He opened his Opinion with the following words:

“First of all, it is surprising to come across the name Pablo Ruiz Picasso involved in legal proceedings, far removed from his achievements as a painter and sculptor, and associated with mundane litigation about the use of his second surname It is sad to note that the most outstanding mythical figure of the twentieth century, part of the common heritage of mankind, has been reduced to an article of commerce, a piece of merchandise. Of course, it is perfectly legitimate to protect such a name against harmful attacks, but its widespread use for purely commercial ends outside the field in which [it] gained its renown could be detrimental to the respect which his extraordinary personality deserves.”

He then saw fit to add “A brief final aside” in which he again lamented the linking of great artists with commercial activities, echoing the criticism from the Director of the Picasso Museum in Paris who was concerned that the image of the genius would be irreversibly damaged and that, in the third millennium, Picasso would be nothing but a brand of cars.

But, sensibilities aside, perhaps the Advocate General has a point. Picasso is a famous artist. In the minds of the public (at least at the start of the third millenium), he is one of the great painters and sculptors of the Twentieth Century and that has not yet been eclipsed in the mind of the average consumer by the idea that his name is a mark for motor vehicles. A trade mark is supposed, among other things, to represent a badge of origin, to indicate to the consumer the source of the goods or services. Does a name which is used in a completely different context to the one in which the renown was gained give any information about the commercial origin of the goods or services, at least at the outset of use? Where there is a connection between the field in which the reputation was earned and the goods or services being offered under the mark (the celebrity interior designer and a range of furniture and homeware, the sportsman and his branded health food supplements), there should be no difficulty in demonstrating that the average consumer associates the goods with the famous individual. But the public do have to understand that the name indicates trade origin. Where there is a gulf between the goods and services and the celebrity’s field of renown, there should be a closer examination.

There is also the added problem that a person can become so famous that his or her name does not have any distinctiveness, Elvis Presley being the perfect example. In the Court of Appeal judgment in the *Elvis Presley* case, Lord Justice Walker agreed with the comments of Mr Justice Laddie at first instance that the ELVIS mark was not distinctive, remarking:

“That conclusion was reached by a number of intermediate steps, one of which was the judge’s finding that members of the public purchase Elvis Presley merchandise not because it comes from a particular source, but because it carries with it the name or image of Elvis Presley.”

More recently, the UK Trade Marks Registry has refused an application by the vocal manager of Manchester United Football Club, Sir Alex Ferguson, to register his name for Class 16 printed matter including photographs, posters and stickers. The registration in respect of various other classes of goods was allowed. No evidence of use in relation to Class 16 goods was provided and there was no argument that the mark had acquired distinctiveness through use. As in the *Elvis Presley* case, although to a lesser extent, there was evidence that the name had been used by other traders on such “image carrying” type goods.

The UK Trade Marks Registry Work Manual used by the Trade Marks Registry examiners includes at section 21.1 of Chapter 6 a section headed “mere image carriers”. It states that the public is likely to consider the name of a famous person or group to be merely descriptive of the subject matter of posters, photographs, transfers etc. They are therefore unlikely to be accepted as trade marks for these goods. They are not distinctive. The application of this guidance to the registration application for ALEX FERGUSON led to the conclusion that the sign had no distinctive character. The public would not distinguish the real Alex Ferguson’s branded goods from similar goods put on that market by other traders, carrying a similar sign.



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The UK press has reported that Sir Alex Ferguson was considering an appeal against the decision on the basis that, in effect, it constitutes discrimination against famous people since the more widespread the use of the person's name on goods the more difficult it is to register a trade mark for that name. While the *Picasso* case addresses a different point, Sir Alex might gain cold comfort from the fact that he is not the only famous name who is finding that it is sometimes a burden rather than a benefit to enjoy a certain renown.

As for the reasoning of the ECJ's decision in *Picasso*, there has already been debate amongst academics and writers that, in assessing likelihood of confusion and weighing up all of the elements, while the similarity of one of the elements might suggest that there is a likelihood of confusion, an analysis of whether there is any conceptual similarity can lead in two very different directions. It either confirms the existence of the similarity or cancels out the likelihood of the confusion which had arisen from the visual and phonetic comparison.

Those seeking to trade on their famous name, particularly outside their original field of excellence, will need to consider carefully what other steps they can take to protect their mark.

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