

The neutralisation principle

Consistency Circle Relative Grounds

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This report is the result of discussions within the Consistency Circles and the General Consistency Meeting of the Boards of Appeal. It is a working document that reflects case-law and views at the given date of the report. It does not have any binding effect on the Boards of Appeal.

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1 Introduction

- 1 This report is a compilation of case-law from the Court of Justice (CJ), the General Court (GC) and the Boards of Appeal (the Boards or the BoA), drawn up with the aim of identifying and analysing the relevant case-law and trends on the topic.
- 2 The purpose is to further support the work of the BoA with a view to maintaining and enhancing the **consistency** of its decision-making practice with the case-law of the EU Courts and among the BoA. As such, it contributes to improving the **predictability** of decisions and legal certainty in general. Through divulging relevant legal information, it also serves to increase **knowledge, awareness** and **transparency** among the various BoA stakeholders.
- 3 It is a working document that reflects existing case-law and the result of discussions within the Consistency Circles and the General Consistency Meeting of the BoA at the given date of the report. **It does not have any binding effect on the BoA.** It has been made available to the staff of the BoA and the public in general for information purposes only.
- 4 The report focuses on the assessment based on Article 8(1)(b) EUTMR.

2 Legal Framework

- 5 The neutralisation principle was developed in case-law. It is a theory closely linked to the comparison of the signs and the likelihood of confusion. Therefore, the relevant legal provisions are as follows:
- 6 Recital 11 of the EUTMR reads as follows: *'An interpretation should be given for the concept of similarity in relation to the likelihood of confusion. **The likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified, should constitute the specific condition for such protection.***
- 7 Article 8(1)(b) EUTMR (also applicable in invalidity proceedings through Article 60(1)(a) EUTMR) provides that the trade mark applied for should be refused protection: *'... 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.***
- 8 The **Office's Guidelines** deal with this topic in Part C, Opposition, Section 2 Double Identity and Likelihood of Confusion, Chapter 4 Comparison of signs, Point 3.4.6.4 The impact of conceptual difference.

3 Case-law Analysis

3.1 Preliminary remarks

- 9 The ‘neutralisation principle’ concerns the impact of conceptual differences on the comparison of the signs and, consequently, on the likelihood of confusion.
- 10 The theory was first formulated by the GC in **BASS**⁽¹⁾, where it stated that the conceptual differences between the signs can ‘*counteract to a large extent the visual and aural similarities*’ between them, and result in a finding of no likelihood of confusion where ‘*at least one of the [signs] at issue [has], from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately*’. The principle has been subsequently reaffirmed by the CJ in a series of judgments⁽²⁾.
- 11 However, several issues regarding the application of this theory have emerged in case-law. The most important of these being the conditions for applying neutralisation and the relevant stage of assessment.

3.2 Conditions of application

3.2.1 A clear and specific meaning conveyed by one or both of the signs

- 12 In its early judgments, **BASS**⁽³⁾, **ZIRH**⁽⁴⁾ and **PICARO**⁽⁵⁾, the GC held that for neutralisation to apply, it is sufficient that ‘**at least one of the [signs] at issue [has], from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately**’ and that ‘**the fact that one of the marks at issue has such a meaning is sufficient – where the other [sign] does not have such a meaning or only a totally different meaning – to counteract to a large extent the visual and aural similarities between the two [signs]**’. This has been subsequently confirmed by the CJ⁽⁶⁾, among others, in **PICARO**, **ZIRH** and **MOBILIX** (where the signs ‘Picaro’, ‘Zirh’ and ‘Mobilix’ had no meaning), as well as in **CHEMPIOIL** (where the sign ‘Chempioil’ was merely evocative of oil and chemicals but had no specific meaning as a whole). In fact, in the overwhelming majority of the cases before the courts where neutralisation was applied, only one of the signs was meaningful. Moreover, in **MESSI**⁽⁷⁾, the CJ even clarified that it is irrelevant whether the only sign with a clear and specific meaning is the earlier or the contested one.

(1) 14/10/2003, T-292/01, Bass / PASH, EU:T:2003:264, § 54.

(2) For example, 12/01/2006, C-361/04 P, PICARO / PICASSO, EU:C:2006:25; § 20; 23/03/2006, C-206/04 P, Zirh, EU:C:2006:194, § 35 (ZIRH / SIR); 15/03/2007, C-171/06 P, Quantum, EU:C:2007:171, § 49 (QUANTUM / QUANTIÈME); 18/12/2008, C-16/06 P, Mobilix, EU:C:2008:739, § 98 (MOBILIX / OBELIX); 05/10/2017, C-437/16 P, CHEMPIOIL / CHAMPION et al., EU:C:2017:737, § 43.

(3) 14/10/2003, T-292/01, Bass / PASH, EU:T:2003:264, § 54.

(4) 03/03/2004, T-355/02, Zirh, EU:T:2004:62, § 49-50 (ZIRH / SIR).

(5) 22/06/2004, T-185/02, PICARO / PICASSO, EU:T:2004:189, § 56.

(6) 12/01/2006, C-361/04 P, PICARO / PICASSO, EU:C:2006:25; § 20; 23/03/2006, C-206/04 P, Zirh, EU:C:2006:194, § 35 (ZIRH / SIR); 18/12/2008, C-16/06 P, Mobilix, EU:C:2008:739, § 98 (MOBILIX / OBELIX); 05/10/2017, C-437/16 P, CHEMPIOIL / CHAMPION et al., EU:C:2017:737, § 43.

(7) 17/09/2020, C-449/18 P & C-474/18 P, MESSI (fig.) / MASSI et al., EU:C:2020:722, § 85-86.

- 13 In the Boards, the prevailing trend also acknowledges the possibility of neutralisation irrespective of whether both signs or only one of them has a clear and specific meaning (e.g. **STERLING ZERO**⁽⁸⁾, **CLIMANETTO**⁽⁹⁾, **APPLE**⁽¹⁰⁾, **ALTEA**⁽¹¹⁾, **VINYA CARLES**⁽¹²⁾, **NITRO**⁽¹³⁾).
- 14 However, the above trend was not followed in **ZIRO**⁽¹⁴⁾, where the GC held that *'although it is true that, unlike the verbal element of the earlier sign [ZERO], the verbal element of the sign applied for [ZIRO] does not have a clear and specific meaning, it cannot, however, be inferred from this that the signs at issue are **conceptually different**. In the absence of a clear and specific meaning of the verbal element of the sign applied for, it is possible only to find that, **conceptually**, that element is **not similar** to the verbal element of the earlier sign, and that, in such circumstances, the absence of similarity is not capable of counteracting, first, the fact that the signs at issue are of average visual similarity, an aspect which is of particular importance for the goods covered by the [trade] marks at issue, and, second, the fact that they are of average phonetic similarity.'*
- 15 Relying on that isolated judgment, the Board held in **PUCAM**⁽¹⁵⁾, concerning the signs 'PUMA' and 'PUCAM', that neutralisation required a **conceptual difference in meanings**, which was not the case when only one of the signs had a meaning⁽¹⁶⁾. The Board added that, otherwise, neutralisation entailed the risk that *'an earlier [trade] mark with a meaning (but unrelated to the goods) would gain less protection than [trade] marks for pure fantasy terms even when the younger [trade] mark is only a misspelling of the earlier [trade] mark'*. Subsequently, the Board relied on essentially the same reasoning in **INTERMED PHARMACEUTICAL LABORATORIES EVA INTIMA**⁽¹⁷⁾, which led it to find a likelihood confusion between the signs  and 'EVAX' (in relation to identical and similar goods in Classes 3 and 5). The latter case is currently pending review by the GC.
- 16 Another approach in the previous case-law of the GC, that did not follow the prevailing trend presented above, considered that when one of the signs had a meaning but the other did not, a conceptual comparison could not be performed⁽¹⁸⁾. This meant that the possibility of neutralisation was not even assessed⁽¹⁹⁾. Following this line of argument, the Board concluded in **ÂME**⁽²⁰⁾ (after finding that the contested sign 'âme' had no meaning while the earlier sign '.A.M E N.' referred to the religious exclamation 'so be

⁽⁸⁾ 04/01/2021, R 231/2020-1, Sterling zero / Starline (fig.) et al., § 43.

⁽⁹⁾ 22/05/2020, R 2514/2019-1, Climanetto / Aneto et al., § 58.

⁽¹⁰⁾ 23/02/2021, R 134/2020-1, APPLiA Home Appliance Europe (fig.) / Apple et al., § 82.

⁽¹¹⁾ 26/11/2020, R 235/2020-5, ALTEA (fig.) / Alteza et al., § 51.

⁽¹²⁾ 29/01/2020, R 1073/2019-2, Vinya carles / Carlos I et al., § 33.

⁽¹³⁾ 16/02/2022, R 1386/2021-2, Litro / NITRO (fig.) et al., § 54.

⁽¹⁴⁾ 09/02/2017, T-106/16, ZIRO (fig.) / zero (fig.), EU:T:2017:67, § 54.

⁽¹⁵⁾ 07/06/2018, R 2733/2017-4, PUCAM / PUMA, § 33.

⁽¹⁶⁾ Note that, unlike in 04/06/2020, R 2960/2019-4, âme / .A.M E N. (fig.), the Board here did not argue that a conceptual comparison was not possible where only one of the signs had a meaning.

⁽¹⁷⁾ 01/03/2022, R 1244/2021-1, InterMed Pharmaceutical Laboratories eva intima (fig.) / Evax et al., § 93, 100-109 (pending before the GC under T-197/22).

⁽¹⁸⁾ The analysis of the case-law on whether signs can be conceptually compared if only one of them has a meaning is beyond the scope of this report.

⁽¹⁹⁾ 05/02/2015, T-78/13, BULLDOG, EU:T:2015:72, § 47-48.

⁽²⁰⁾ 04/06/2020, R 2960/2019-4, âme / .A.M E N. (fig.), § 31-32, 44-46, 51-58.

it!' at the end of prayers), that such an abstract meaning without any relevance for the goods in question (in Classes 18 and 25) **did not allow for a conceptual comparison to be made**. Ultimately, the Board found that there was a likelihood of confusion on the part of the relevant public. This decision was, however, **annulled** by the GC ⁽²¹⁾, stating that the Board '*erred, first, in concluding that it was not possible to carry out a conceptual comparison of the [signs] at issue and, second, in failing to examine [...] whether the visual and phonetic similarities were counteracted by the fact that the [signs] at issue are not conceptually similar*'.

3.2.2 Clear and specific meaning that can be grasped immediately

17 It is not just any meaning that may qualify for neutralisation. The CJ confirmed in **BLACK LABEL BY EQUIVALENZA** ⁽²²⁾ that neutralisation applies only in the **exceptional case** that at least one of the signs has a **clear and specific meaning that can be grasped immediately by the relevant public** while the other sign has no such meaning or has an entirely different meaning.

3.2.2.1 Clear and specific meaning that can be grasped immediately

18 The concept of a 'clear and specific meaning that can be grasped immediately by the public' is not defined in case-law. This issue needs to be analysed on a case-by-case basis. For example, the GC considered ⁽²³⁾ that the words 'bass', 'sir', 'Mars' and 'champion' **had** a clear and specific meaning that could be grasped immediately by the relevant public. Furthermore, according to the case-law, a well-known person's or character's name may also convey such a concept (for example, 'Picasso' a famous painter ⁽²⁴⁾, 'Messi' a famous sports person ⁽²⁵⁾, 'Obelix' a famous cartoon character ⁽²⁶⁾ or 'Miley Cyrus' a pop star ⁽²⁷⁾).

19 It also appears to be settled case-law ⁽²⁸⁾ that the fact that a sign **does not refer to any characteristic of the goods or services** in question does not prevent the relevant public from immediately grasping its meaning. The GC reiterated in **ÂME** ⁽²⁹⁾ that, contrary to the Board's view, it was irrelevant that the meaning of the word 'amen' did not refer to the goods at issue. Just because the word 'amen' was used outside its ordinary (religious) context (here, as a trade mark for clothing), did not mean that the relevant public would disregard its ordinary meaning.

⁽²¹⁾ 05/05/2021, T-442/20, Âme / .A.M E N. (fig.), EU:T:2021:237, § 60.

⁽²²⁾ 04/03/2020, C-328/18 P, BLACK LABEL BY EQUIVALENZA (fig.) / LABELL (fig.) et al., EU:C:2020:156, § 75.

⁽²³⁾ 14/10/2003, T-292/01, Bass / PASH, EU:T:2003:264, § 53-54; 03/03/2004, T-355/02, Zirh, EU:T:2004:62, § 46, 50 (ZIRH / SIR); 08/02/2007, T-88/05, Nars, EU:T:2007:45, § 64, 70 (NARS / MARS); 01/06/2016, T-34/15, CHEMPIOIL / CHAMPION et al., EU:T:2016:330, § 39-40, 47.

⁽²⁴⁾ 12/01/2006, C-361/04 P, PICARO / PICASSO, EU:C:2006:25, § 27.

⁽²⁵⁾ 26/04/2018, T-554/14, MESSI (fig.) / MASSI et al., EU:T:2018:230, § 75-76.

⁽²⁶⁾ 18/12/2008, C-16/06 P, Mobilix, EU:C:2008:739, § 98 (MOBILIX / OBELIX).

⁽²⁷⁾ 16/06/2021, T-368/20, Miley Cyrus / Cyrus et al., EU:T:2021:372, § 61.

⁽²⁸⁾ 14/10/2003, T-292/01, Bass / PASH, EU:T:2003:264, § 54; 03/03/2004, T-355/02, Zirh, EU:T:2004:62, § 50 (ZIRH / SIR); 22/06/2004, T-185/02, PICARO / PICASSO, EU:T:2004:189, § 57.

⁽²⁹⁾ 05/05/2021, T-442/20, Âme / .A.M E N. (fig.), EU:T:2021:237, § 59-60.

- 20 Furthermore, it is worth highlighting that for neutralisation to apply, the meaning of at least one of the signs must be clear, specific and immediately perceptible for the **entire** relevant public. This is particularly relevant for cases with an earlier trade mark. In **TIGHA**⁽³⁰⁾, the GC found that while the word ‘taiga’ may have a specific and immediate meaning for consumers in the northern and eastern parts of the European Union, this was not the case for the rest of the EU public. As a result, the visual and phonetic similarities between the signs could not be neutralised by a marked conceptual difference for a substantial part of the EU public, for whom, eventually, there was a likelihood of confusion.
- 21 In line with the case-law of the GC, the Boards have applied neutralisation in cases where at least one of the signs had a clear and specific meaning that could be grasped immediately (e.g. **STERLING ZERO**⁽³¹⁾, **CLIMANETTO**⁽³²⁾, **APPLE**⁽³³⁾, **ALTEA**⁽³⁴⁾, **VINYA CARLES**⁽³⁵⁾). Moreover, in a number of cases, conceptual differences prevailed over the identity of the goods or services, the enhanced distinctiveness of the earlier trade mark (e.g. **PANDEM**⁽³⁶⁾) and at least average visual and aural similarities (e.g. **ASPIRE**, **LEMONIE**⁽³⁷⁾).

3.2.2.2 No clear and specific meaning that can be grasped immediately

- 22 The following cases illustrate where the meaning of a sign, **taken as a whole**, could **not** be considered to have a clear and specific meaning that could be grasped immediately (and thereby qualify for neutralisation⁽³⁸⁾). Several lines of argumentation have been used in the case-law to support that finding.
- 23 The first line refers to multicomponent words, whose individual components may have a meaning, though the sign as a whole only has a **certain evocative force**. These signs are not apt for neutralisation. For example, the GC found that ‘MUNDICOLOR’ is merely evocative of ‘colours of the world’ or ‘the world in colours’ for the relevant Spanish public⁽³⁹⁾; ‘MULTIPHARMA’ merely evokes ‘several medicines’ or ‘variety, wide offer of pharmaceuticals’; ‘MUNDIPHARMA’ evokes the ‘world of pharmaceuticals’ or ‘worldwide pharmaceuticals’⁽⁴⁰⁾; ‘METABIOMAX’ is a laudatory allusion to the biological properties or the effects on the metabolism of the product concerned⁽⁴¹⁾; and ‘GUIDEGO’, as a whole, lacks a clear concept even for the English-speaking public that will perceive the components ‘guide’ and ‘go’⁽⁴²⁾.

⁽³⁰⁾ 13/09/2018, T-94/17, tigha / TAIGA, EU:T:2018:539, § 67-71, 77, 80, confirmed on appeal, 16/07/2020, C-714/18 P, tigha / TAIGA, EU:C:2020:573, § 75-77.

⁽³¹⁾ 04/01/2021, R 231/2020-1, Sterling zero / Starline (fig.) et al., § 43.

⁽³²⁾ 22/05/2020, R 2514/2019-1, Climanetto / Aneto et al., § 58.

⁽³³⁾ 23/02/2021, R 134/2020-1, APPLiA Home Appliance Europe (fig.) / Apple et al., § 82.

⁽³⁴⁾ 26/11/2020, R 235/2020-5, ALTEA (fig.) / Alteza et al. § 51.

⁽³⁵⁾ 29/01/2020, R 1073/2019-2, Vinya carles / Carlos I et al., § 33.

⁽³⁶⁾ 04/02/2020, R 1483/2019-5, Pandem / Panda et al (confirmed by 28/04/2021, T-191/20, Pandem / Panda et al., EU:T:2021:226).

⁽³⁷⁾ 20/04/2021, R 729/2020-1, Aspire / Ascires, § 43; 26/05/2021, R 233/2021-5, LEMONIE (fig.) / Leonie, § 55-58.

⁽³⁸⁾ Typically arising in a situation where the **other** sign has no meaning for the entire relevant public.

⁽³⁹⁾ 17/03/2004, T-183/02 & T-184/02, Mundicor / MUNDICOLOR, EU:T:2004:79, § 90, 95.

⁽⁴⁰⁾ 07/11/2017, T-144/16, MULTIPHARMA / MUNDIPHARMA, EU:T:2017:783, § 55-58, 63.

⁽⁴¹⁾ 11/06/2014, T-281/13, Metabiomax, EU:T:2014:440, § 47, 53 (METABIOMAX / METABIAREX).

⁽⁴²⁾ 13/03/2018, T-346/17, Guidego what to do next (fig.) / GUIDIGO, EU:T:2018:134, § 50-51, 64-65.

- 24 In **MULTIPHARMA**⁽⁴³⁾, the GC added the argument that ‘multi’ and ‘mundi’ were also unable to effectively convey a concept due to their **frequent commercial use, which had trivialised the terms**.
- 25 Another scenario of signs not apt for neutralisation concerns **fanciful terms that may allude to a concept, without however having a meaning as a whole**. For example, the GC found that ‘neo’ may evoke ‘new’ in ‘NEORAL’, but the sign as a whole is meaningless⁽⁴⁴⁾; ‘gel’ may evoke a gel-based product in ‘KORAGEL’, but the sign as a whole does not have a meaning⁽⁴⁵⁾; ‘CICATRAL’ could allude to the Spanish word ‘cicatriz’ (meaning ‘scar’) but the word as such is meaningless⁽⁴⁶⁾; ‘CLINAIR’, is merely evocative of ‘clean air’⁽⁴⁷⁾ and ‘SUPR’ of ‘super’, but they are otherwise fanciful terms⁽⁴⁸⁾.
- 26 From **BLACK LABEL BY EQUIVALENZA**⁽⁴⁹⁾, it also follows that in complex signs where **only one of the words has a clear and specific meaning but not the others**, the sign as a whole cannot be considered to have a clear and specific meaning that can be grasped immediately. In that particular case, although the relevant Czech, Hungarian, Polish and Slovenian public would understand the basic English word ‘black’ and the expression ‘by Equivalenza’ (as a reference to the company), it would not understand ‘label’ which is not a basic English word. Consequently, the sign as a whole had no clear and specific meaning that could be grasped immediately by the relevant public.
- 27 Moreover, in **GIOVANNI GALLI**⁽⁵⁰⁾, the GC distinguished cases concerning names of famous people (like the painter ‘Picasso’), from those concerning the **names of ordinary people**. It held that the mere fact that the public would perceive ‘Giovanni Galli’ as referring to a living or fictitious person (albeit not famous), such as the creator of the fragrance in the context of the relevant goods, does not establish a clear and specific meaning which can be grasped immediately by the relevant public.
- 28 Another line of reasoning developed by the GC in support of a lack of clear and specific meaning that could be grasped immediately is the **abstract nature of the term**.
- 29 In **QUANTUM**⁽⁵¹⁾, the GC held that the relevant French public interested in the purchase of the relevant goods (watches) would not have an immediate grasp of the precise meaning of the words ‘quantum’ (a scientific term with multiple meanings) or ‘quantième’ (which describes the indication of the day of the month on watches) as they were technical terms not used in everyday language. Whilst the average consumer would perceive the word ‘quantum’ as a scientific term, they would not be aware of its specific meaning.

⁽⁴³⁾ 07/11/2017, T-144/16, MULTIPHARMA / MUNDIPHARMA, EU:T:2017:783, § 57.

⁽⁴⁴⁾ 06/04/2017, T-49/16, NIMORAL / NEORAL, EU:T:2017:259, § 55, 58.

⁽⁴⁵⁾ 13/05/2015, T-169/14, Koragel / CHORAGON, EU:T:2015:280, § 68.

⁽⁴⁶⁾ 11/11/2009, T-277/08, Citracal, EU:T:2009:433, § 53-54 (CITRACAL / CICATRAL).

⁽⁴⁷⁾ 11/11/2009, T-150/08, Clina, EU:T:2009:431, § 51, 54 (CLINA / CLINAIR).

⁽⁴⁸⁾ 13/03/2019, T-297/18, *supr* / *Zupr*, EU:T:2019:160, § 73-76.

⁽⁴⁹⁾ 04/03/2020, C-328/18 P, BLACK LABEL BY EQUIVALENZA (fig.) / LABELL (fig.) et al., EU:C:2020:156, § 97, 99.

⁽⁵⁰⁾ 03/06/2015, T-559/13, GIOVANNI GALLI (fig.) / GIOVANNI, EU:T:2015:353, § 96.

⁽⁵¹⁾ 12/01/2006, T-147/03, Quantum, EU:T:2006:10, § 86, 88, 99-100 (QUANTUM / QUANTIÈME).

- 30 However, in some cases, the abstract nature of the meaning of the sign was argued differently and derived from the fact that the goods and services at issue were totally unrelated to the meaning of the sign. This line of arguments seems to be at odds with settled case-law according to which, in principle, the meaning of the sign should be determined irrespective of the goods and services at issue (see section 3.2.2.1).
- 31 In **INTESA**⁽⁵²⁾, the contested goods were, essentially, *cosmetics and cosmetic implements (such as sponges, combs and brushes)* in Classes 3 and 21. The contested signs 'INTEA' had no meaning. As regards the earlier sign 'INTESA', the GC found, in relation to the Italian public, that although the word meant agreement or contract in Italian, it referred to an abstract concept that, in the context of the goods at issue, was unlikely to create strong associations liable to facilitate the recollection of the signs on the basis of that meaning. Owing to the strong visual and aural similarities between the signs, this conceptual difference would escape the attention of the Italian public so that it was not capable of offsetting those similarities.
- 32 In **INTERFACE**⁽⁵³⁾, the contested goods were, essentially, *insecticides, herbicides and fungicides* in Class 5. The earlier sign 'INTERFOG' had no clear and specific meaning even for the English-speaking public. As for the contested sign, 'INTERFACE', the GC held that it was understood by the EU public as a technical term used particularly in the field of information technology. However, the GC concluded that *'this word none the less relates to an abstract idea which, in the context of the goods concerned, will not have associations liable to facilitate the recollection of the [signs] on the basis of that meaning. The conceptual difference which exists between the [signs] at issue is therefore liable to escape the attention of the relevant public. Consequently, it must be held that the conceptual content of the [sign] applied for is not such as to neutralise the visual and phonetic similarities which exist between the [signs] at issue'*.
- 33 In **ÂME**⁽⁵⁴⁾, however, the GC reiterated its previous settled case-law that it is not relevant that the goods and services at issue are unrelated to the meaning of the sign. Contrary to the Board's view⁽⁵⁵⁾, the GC held that the word 'amen' was not abstract and had a universally understood meaning which would not escape the consumer's attention even if used outside its ordinary religious context, as in this case, for clothing.

3.3 Stage of assessment

- 34 The next problematic issue in practice is the **stage at which neutralisation should be assessed**, namely, whether it should be taken into account in the global assessment of the likelihood of confusion or, earlier, at the stage of the comparison of the signs. The issue is relevant because, if neutralisation is applied at the comparison of the signs stage, in principle, there is no need to compare the goods and services or carry out a global assessment of the likelihood of confusion (and, consequently, assess other factors, such any claimed enhanced distinctiveness of the earlier trade mark or

⁽⁵²⁾ 13/04/2005, T-353/02, Intea, EU:T:2005:124, § 34 (INTEA / INTESA).

⁽⁵³⁾ 27/02/2015, T-227/13, INTERFACE, EU:T:2015:120, § 41-42, 48 (INTERFACE / INTERFOG).

⁽⁵⁴⁾ 05/05/2021, T-442/20, Âme / .A.M E N. (fig.), EU:T:2021:237, § 59-60, 71.

⁽⁵⁵⁾ 04/06/2020, R 2960/2019-4, âme / .A.M E N. (fig.), § 32, 44, 58.

whether the visual or the phonetic aspect of the signs prevails in the relevant market sector), under Article 8(1)(b) EUTMR.

- 35 Essentially, there have been two rival approaches in the Court's case-law: one that applied neutralisation in the context of the **global assessment of the likelihood of confusion** (e.g. in **ZIRH**⁽⁵⁶⁾, **CELIA**⁽⁵⁷⁾, **LENAH**⁽⁵⁸⁾, **MESSI**⁽⁵⁹⁾) and the other at the **comparison of the signs** stage (e.g. **MOBILIX**⁽⁶⁰⁾, **IDEA**⁽⁶¹⁾, **CHEMPIOIL**⁽⁶²⁾).
- 36 The CJ has already held in **CHEMPIOIL**⁽⁶³⁾ that: '(44) According to the case-law of the Court of Justice, the neutralisation of the visual and phonetic similarities of the signs at issue by their conceptual differences is examined **when making the overall assessment of the similarity of those signs**, which is based on the overall impression given by those signs (see, to that effect, C-361/04 P, [Picaro], § 19-21; C-206/04 P, [Zirh], § 34-35⁽⁶⁴⁾; and C-171/06 P, [Quantum], § 48-49).'
- 37 The issue became the focus of the CJ's analysis in **BLACK LABEL BY EQUIVALENZA**⁽⁶⁵⁾ where the methodology of assessment was specifically addressed. Referring to its previous case-law, the CJ provided the following guidance:

*'(74) (...) it must be borne in mind that, in accordance with the case-law of the Court, the **global assessment of the likelihood of confusion** implies that conceptual differences between two signs may counteract phonetic and visual similarities between them, provided that at least one of those signs has, from the point of view of the relevant public, a clear and specific meaning, so that the public is capable of grasping it immediately (C-16/06 P, [Mobilix], § 98; see also, to that effect, C-361/04 P, [Picaro], § 20, and C-206/04 P, [Zirh], § 35).*

*(75) In that regard, the Court has held, in paragraph 44 of C-437/16 P, [Chempioil], that the assessment of the conditions of such a counteraction **forms part of the assessment of the similarity of the signs at issue which follows the assessment of the visual, phonetic and conceptual similarities between them**. However, it should be noted that that consideration is intrinsically linked to the exceptional case in which at least one of the signs at issue has, from the perspective of the relevant public, a clear and specific meaning which can be grasped immediately by that public. It follows that it is only if those conditions are satisfied that, in accordance with the case-law cited in the preceding paragraph of the present judgment, the General Court may **dispense with the global assessment of the likelihood of confusion** on the ground that, by reason of the marked conceptual differences between the signs at issue and*

⁽⁵⁶⁾ 23/03/2006, C-206/04 P, Zirh, EU:C:2006:194, § 35 (ZIRH / SIR).

⁽⁵⁷⁾ 23/04/2008, T-35/07, Celia EU:T:2008:125, § 46 (CELIA / CELTA).

⁽⁵⁸⁾ 21/01/2016, T-802/14, Lenah.C / LEMA, EU:T:2016:25, § 48.

⁽⁵⁹⁾ 26/04/2018, T-554/14, MESSI (fig.) / MASSI et al., § 64 EU:T:2018:230, confirmed by 17/09/2020, C-449/18, MESSI (fig.) / MASSI et al., EU:C:2020:722.

⁽⁶⁰⁾ 27/10/2005, T-336/03, Mobilix, EU:T:2005:379, § 84 confirmed by 18/12/2008, C-16/06 P, Mobilix, EU:C:2008:739 (MOBILIX / OBELIX).

⁽⁶¹⁾ 16/01/2008, T-112/06, Idea, EU:T:2008:10, § 84 (IDEA / IKEA).

⁽⁶²⁾ 05/10/2017, C-437/16 P, CHEMPIOIL / CHAMPION et al., EU:C:2017:737, § 44.

⁽⁶³⁾ 05/10/2017, C-437/16 P, CHEMPIOIL / CHAMPION et al., EU:C:2017:737, § 44.

⁽⁶⁴⁾ Although in **ZIRH**, quite clearly, neutralisation came into play at the global assessment of the likelihood of confusion stage.

⁽⁶⁵⁾ 04/03/2020, C-328/18 P, BLACK LABEL BY EQUIVALENZA (fig.) / LABELL (fig.) et al., EU:C:2020:156, § 46.

the clear and specific meaning which can be grasped immediately by the relevant public of at least one of those signs, those signs produce a different overall impression, despite the existence, between them, of certain elements of similarity visually or phonetically.

*(76) By contrast, **in the absence, in the case of either of the signs at issue, of such a clear and specific meaning which can be grasped immediately by the relevant public, the General Court cannot counteract it by dispensing with a global assessment of the likelihood of confusion.** In such a case, rather, it falls to the General Court to carry out a global assessment of that likelihood taking into account all the similarities and differences noted in the same way as the other relevant elements, such as the level of attention of the relevant public (see, to that effect, C-361/04 P, [Picaro], § 21, 23) or the degree of distinctive character of the earlier [trade] mark.'*

- 38 The CJ clarified in this judgment that the comparison of signs entails a two-step assessment. The **first step** is to assess the similarities between the signs by reference to the **visual, phonetic and conceptual aspects**. Regarding the conceptual aspect, this is the step where it is determined whether or not there is a conceptual difference between the signs, and if so, whether that difference is based on a clear and specific meaning of at least one of the signs that will be grasped immediately by the relevant public.
- 39 The **second step** is the **overall assessment of the similarity of the signs** based on their overall impression (bearing in mind, inter alia, their distinctive and dominant components). It would follow from a combined reading of § 74-76 of the CJ's judgment that this is the stage where the neutralisation of any visual and phonetic similarity by the marked conceptual differences between the signs should take place, rendering the signs overall different⁶⁶. The CJ also clarified, in § 70, that the marketing circumstances in the relevant trade sector cannot be taken into account at this stage, also following that they cannot be taken into account at all in the assessment of neutralisation. Furthermore, in § 60, the CJ reiterated the settled case-law that the possible enhanced distinctiveness of the earlier trade mark is irrelevant if the signs are dissimilar, so it also does not impact possible neutralisation⁽⁶⁷⁾.
- 40 It is of particular interest to analyse the evolution of the GC's case-law regarding the question of the 'stage of assessment' since May 2020, that is, post-**BLACK LABEL BY EQUIVALENZA**.
- 41 In **MILEY CYRUS**⁽⁶⁸⁾ (referring both to § 74 and 75 of **BLACK LABEL BY EQUIVALENZA**) and in **ÂME**⁽⁶⁹⁾ (providing the reasons for annulling the Board's

⁽⁶⁶⁾ Different wording is used in different judgments: 'cannot be regarded as identical or similar' in 27/10/2005, T-336/03, Mobilix, EU:T:2005:379, § 84; 'different overall impression' in 04/03/2020, C-328/18 P, BLACK LABEL BY EQUIVALENZA (fig.) / LABELL (fig.) et al., EU:C:2020:156, § 75; 'different overall' in T-368/20, Miley Cyrus / Cyrus et al., EU:T:2021:372, § 65; 'the requirement of identity or similarity of signs... was not met' in 01/06/2016, T-34/15, CHEMPIOIL / CHAMPION et al., EU:T:2016:330, § 53. It remains unclear whether the terms 'dissimilar', 'not similar' and 'different' refer to the same legal concept.

⁽⁶⁷⁾ See, specifically applied in the context of neutralisation, 27/10/2005, T-336/03, Mobilix, EU:T:2005:379, § 84 (MOBILIX / OBELIX); 16/01/2008, T-112/06, Idea, EU:T:2008:10, § 84 (IDEA / IKEA).

⁽⁶⁸⁾ 16/06/2021, T-368/20, Miley Cyrus / Cyrus et al., EU:T:2021:372, § 63.

⁽⁶⁹⁾ 05/05/2021, T-442/20, Âme / .A.M.E.N. (fig.), EU:T:2021:237, § 73.

decision due to a lack of analysis of possible neutralisation under the title ‘*The overall comparison*’), the GC applied neutralisation at the stage of the comparison of the signs. It is worth noting that in **MILEY CYRUS**, the GC concluded, in § 63, that as a result of neutralisation, ‘*following a global assessment of the overall impression produced by the signs at issue, [the signs] are different*’, with the effect that one of the cumulative conditions for the application of Article 8(1)(b) EUTMR was not fulfilled. In **PANDEM**⁽⁷⁰⁾, although the GC did not deal with neutralisation in the section ‘The comparison of signs’, but under ‘The likelihood of confusion’, it did not, in fact, carry out a global assessment of the likelihood of confusion. It stated instead that the conceptual difference introduced by the clear, specific and immediately perceptible meaning of the earlier sign ‘PANDA’ counteracted the visual and phonetic similarities between the signs, and that ‘*the [enhanced] distinctive character of the earlier [trade] marks cannot affect the fact that the signs at issue are conceptually different*’. It also made no reference to the identity and similarity of the goods and the principle of interdependence. It is worth noting that, unlike in **MILEY CYRUS**, the GC did not state that the signs were ‘different’ overall, but that as a result of neutralisation there was no likelihood of confusion.

- 42 By contrast, in **CODE-X**⁽⁷¹⁾ and **ACCUSÌ**⁽⁷²⁾, the GC – referring only to § 74 of **BLACK LABEL BY EQUIVALENZA**, but not § 75 – still applied the principle of neutralisation in the global assessment of likelihood of confusion. In **ACCUSÌ**, the GC even emphasised that ‘*the potential counteraction of the similarities must be examined at the stage of the global assessment of the likelihood of confusion*’.
- 43 The analysis of the practice of the Boards showed that they have consistently applied neutralisation **at the stage of the global assessment of the likelihood of confusion** and this has **not changed** after **BLACK LABEL BY EQUIVALENZA**.
- 44 In summary, it follows quite clearly from **BLACK LABEL BY EQUIVALENZA** that neutralisation ‘*forms part of the assessment of the similarity of the signs at issue which follows the assessment of the visual, phonetic and conceptual similarities between them*’. However, since the issue of whether or not a certain meaning is sufficiently clear, specific and immediately perceptible is often not straightforward, it appears to be prudent to apply neutralisation in the global assessment of the likelihood of confusion. The Boards have done so consistently and, so far, no Board decision has been annulled, or an error of assessment found, in applying neutralisation in the global assessment rather than at the comparison of the signs stage. Moreover, as seen above, the GC has not been consistent on this point either, post-**BLACK LABEL BY EQUIVALENZA**.

4 Conclusions

- 45 The following conclusions can be drawn from the case-law analysis in order to safeguard consistency in BoA decision-making practice.

⁽⁶⁹⁾ 14/10/2003, T-292/01, Bass / PASH, EU:T:2003:264, § 54.

⁽⁷⁰⁾ 28/04/2021, T-191/20, Pandem / Panda et al., EU:T:2021:226, § 75-79.

⁽⁷¹⁾ 23/02/2022, T-198/21, Code-x / Cody’s (fig.) et al., EU:T:2022:83, § 65-66, 70-72.

⁽⁷²⁾ 28/04/2021, T-300/20, Accusì / Acústic et al., EU:T:2021:223, § 54-55.

- (i) The conceptual differences between the signs can neutralise the visual and aural similarities between them only in the **exceptional case** that **at least one** of the signs has a clear and specific meaning capable of being grasped immediately by the relevant public while the other sign has no such meaning or has an entirely different meaning. While that meaning must be perceived by the public in the entire relevant territory, it is not required that both signs have such a meaning.
- (ii) The fact that the sign **does not, in itself, refer to any characteristic of the goods or services** in question does not prevent the relevant public from immediately grasping its meaning.
- (iii) Any conceptual difference that is based on a **vague, evocative or abstract concept** that a sign may evoke is not sufficient for neutralisation. However, whether or not this meaning is still capable of distancing the signs so as to dispel any likelihood of confusion, will depend on the interdependence of all the factors in the global assessment of the likelihood of confusion.
- (iv) The methodology (i.e. the question where to apply neutralisation), may have, in specific circumstances, an impact and lead to different results.

According to **BLACK LABEL BY EQUIVALENZA**, neutralisation should be assessed at the comparison of the signs stage. If the signs are considered to be overall different for the purposes of Article 8(1)(b) EUTMR (due to neutralisation), then the possible claim of enhanced distinctive character acquired through use of the earlier trade mark needs not be assessed, since the dissimilarity of the signs prevails over any other aspect of the global assessment.

On the other hand, both the BoA and, on occasion, the GC, have applied neutralisation in the global assessment of the likelihood of confusion. Applying this approach allows to take into consideration all other aspects of the global assessment of likelihood of confusion, including the enhanced distinctive character of the earlier trade mark. However, neutralisation may also prevail over that enhanced distinctive character of the earlier trade mark.

Moreover, although the report focuses on the assessment performed in cases based on Article 8(1)(b) EUTMR, it needs to be borne in mind that the similarity of the signs is a condition both under Article 8(1)(b) EUTMR and Article 8(5) EUTMR; the assessment of the similarity of the signs is the same under both provisions. Consequently, applying neutralisation in the comparison of the signs may lead to the conclusion that the signs are precluded from being perceived as similar. This would exclude from the outset the application of Article 8(5) EUTMR.

Annex
List of cases reviewed

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