

Summary Report

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2024 – Study Question

Conflicts Between Composite Trade Marks Including Non-distinctive Elements

Introduction

This Study Question concerns what factors should or should not be considered by courts or tribunals or IP offices in assessing similarity and likelihood of confusion between marks when one or both are composite trade marks including non-distinctive elements and what functions are performed by non-distinctive elements in those assessments.

This issue arises especially in relation to families of sub-brands of distinctive (or even well known) marks. Even if just a non-distinctive part of the sub-brand is used, but on identical or similar products or in such a way that evokes the mark, a link may be formed in the mind of the consumer which could influence their behaviour.

The Reporter General Team has received Reports from the following Groups and Independent Members in alphabetical order: Argentina, Australia, Belgium, Brazil, Bulgaria, Canada, Chile, China, Chinese Taipei (Independent Member), Croatia, Denmark, Ecuador, Estonia, Finland, France, Germany, Hong Kong (Independent Member), Hungary, India, Indonesia, Italy, Japan, Latvia, Mexico, the Netherlands, Paraguay, Peru, the Philippines, Poland, Portugal, the Republic of Korea, the Russian Federation, Spain, Sweden, Switzerland, Thailand, Turkey, the United Kingdom (UK), the United States of America (US), Uruguay and Vietnam.

41 Reports were received in total. The Reporter General Team thanks the Groups and Independent Members for their helpful and informative Reports. All Reports may be accessed in AIPPI's library at www.aippi.org.

The Reports provide a comprehensive overview of national and regional laws, practices, and policies relating to conflicts between composite trade marks including non-distinctive elements, set out in three parts:

- Part I – Current law and practice

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- Part II – Policy considerations and proposals for improvements of your Group’s current law
- Part III – Proposals for harmonization

This Summary Report does not summarize Part I of the Reports received. Part I of any Report is the definitive source for an accurate description of the current state of the law in the jurisdiction in question.

This Summary Report has been prepared on the basis of a detailed review of all Reports (including Part I) but focuses on Parts II and III, given AIPPI’s objective of proposing improvements to, and promoting the harmonization of, existing laws. As it is a summary, if any question arises as to the exact position of a particular Group in relation to Parts II or III, please refer to the relevant Report directly.

In this Summary Report:

- references to Reports of or responses by one or more “Groups” may include references to Independent Members;
- where percentages of responses are given, they are rounded to the nearest 5%; and
- in Part IV below, some conclusions have been drawn in order to provide guidance to the Study Committee for this Study Question.

I. Current law and practice

For the replies to Questions 1) to 9) set out in the Study Guidelines for this Study Question, reference is made to the full Reports. The Study Guidelines may be accessed in AIPPI’s library at www.aippi.org.

II. Policy considerations and proposals for improvements of your Group’s current law

10) Do you consider your Group’s current law or practice relating to conflicts between composite trade marks including non-distinctive elements adequate or do you consider that the law should be changed?

41 Groups responded to this question, among which 32 (80%) Groups consider their Groups’ current laws and practice relating to conflicts between composite trade marks including non-distinctive elements are adequate, while 9 (20%) groups, including Croatia, Ecuador, Germany, Peru, Poland, Spain, Thailand, Turkey and Vietnam, are of the view they should be changed to some extent.

32 Groups believe their current laws and practice in this regard are adequate and that no change is needed. Groups such as Argentina, Bulgaria, Hong Kong (IM),

India, Mexico, the Philippines, Switzerland and UK emphasize the specific assessment based on the laws and regulations is a case-by-case issue. The Bulgarian Group believes it is practically impossible and not advisable to define all possible situations in the law and that it is up to the practice to establish in which cases there is similarity and likelihood of confusion. The Groups of Canada, Denmark, Switzerland and UK attach importance to the flexibility provided by their current laws for special cases and specific circumstances. The Danish Group comments that legal uncertainty may be impossible to eradicate completely.

The Australian Group is of the view that what needs to be done more is to improve consistency in decision-making. The Chinese Group also has some concerns as regards the consistency of some CNIPA and court decisions.

Among the Groups who hold some change is needed, around half of them are of the opinion that the Law is adequate but the regulations or practices should be changed or improved. The Croatian Group holds that the conditions of application of the "Rule of Dominant Feature" or "Anti-Dissection Rule" should be specified. The Ecuadorian Group considers that the law should explicitly state that non-distinctive elements should not be included in the comparison or establish clear rules on how to proceed in cases where non-distinctive elements are included in composite marks being compared. The German Group also opines there should be changes in the law that reflect the fact that non-distinctive elements should, in the absolute majority of cases, not be a factor in the assessment of similarity of trade marks and likelihood of confusion. The Spanish Group holds that the practice should be changed and suggests including in the guidelines and practices of the OEPM and courts the degree of distinctiveness of an opposing trade mark in opposition and infringement: weak, medium and high. The Turkish Group considers it crucial to ensure consistency in decisions and suggests making secondary regulations including detailed and regularly updated guidelines (on case-by-case basis) with the help of AI tools. The Groups of Peru and Vietnam hope that the law/regulations can be changed to be more specific or clearer. In Thailand, there is no specific legislation relating to conflicts between composite trade marks including non-distinctive elements and the Registrar Manual possibly providing guidance on this issue is not publicly available and not binding upon the Court at the judicial review stage.

- 11) **As a matter of policy, does your Group believe that it would be better to require each combination of distinctive and non-distinctive elements for which protection is sought to be registered, instead of permitting the “disassembly” of registered marks into elements and protection being given to at least the disassembled distinctive elements? Please explain why the policy is preferred.**

The majority Groups (65%, 26 out of 41 Groups) believe that it is not preferred to require each combination of distinctive and non-distinctive elements to be registered; 11 (25%) out of 41 Groups support the policy of requiring each

combination of distinctive and non-distinctive elements for which protection is sought to be registered; 4 Groups are of the opinion that it should be considered on a case-by-case basis, including Indonesia, Japan, Poland and Uruguay.

One concern shared by many Groups on requiring each combination to be registered is the cost increase, including Croatia, Finland, Hong Kong (IM), India, Mexico, Peru, Switzerland and UK. The Danish Group also concerns it will add burden to both the administrative authority and the right holder and the Portuguese Group concerns as well it would contribute to the unnecessary increase of the registration amount.

Groups such as Argentina, Mexico, Portugal, Switzerland and UK hold that the brand owners should have the freedom to apply to register whatever marks they think can be or need to be registered.

12) Are there any other policy considerations and/or proposals for improvement to your Group's current law falling within the scope of this Study Question? Please answer YES or NO and explain.

26 Groups answered NO and 13 provide their thoughts on other policy considerations and/or proposals for improvement relating to this Study Question.

The Groups of Latvia and UK consider that the issue of “disclaimers” is an important and useful instrument to make a clearer and more precise scope of the protection of non-distinctive elements in trade marks and can avoid or help solve the dispute relating to non-distinctive elements of a mark. The current practice regarding “disclaimers” is not clear enough or not in consistency so it is worthwhile to look into it.

The Chinese Group mentioned the issue of “acquired distinctiveness” which is closely relevant to the non-distinctive element of a mark and it suggests taking it as a future Study Question topic.

The Russian Group comments that the position of the Russian PTO is not consistent in evaluation of distinctiveness of trade marks, where the same elements can be considered distinctive in one case and non-distinctive in another. It hopes to have a more consistent practice regarding this issue. It further comments that elements in foreign languages should be considered non-distinctive only in case when the relevant Russian consumers regard them as descriptive and that the rare mentions on the Internet, online forums or in private publications cannot prove that the concerned element is non-distinctive.

The Australian Group proposes to study the concept of “deceptive similarity” between marks and/or to further legislate the specific factors that should or should not be taken into account when assessing deceptive similarity, such as the mark reputation.

The Vietnamese Group advises to study the issue on assessment of similarity or dissimilarity of goods and services in the near future. The Estonian Group finds that the confusing similarity is usually found for all goods/services and would like to discuss whether the confusing similarity may be established only in part, i.e. on some of the goods/services.

III. Proposals for harmonisation

13) Do you believe that there should be harmonisation in relation to issues regarding conflicts between composite trade marks including non-distinctive elements?

34 (85%) out of the 40 Groups which answered this question support harmonisation in this respect and 6 (15%) do not, including Argentina, Chile, Estonia, Indonesia, Paraguay and the Republic of Korea. The Uruguayan Group did not answer this question.

14) What should be the rule/principle when assessing similarity between composite trade marks? Please pick one of the following choices and provide your comments if any:

- a) The “Anti-Dissection Rule” should be the only rule/principle.
- b) The “Rule of Dominant Feature” should be the only rule/principle.
- c) The “Anti-Dissection Rule” should be the main rule/principle.
- d) The “Rule of Dominant Feature” should be the main rule/principle.
- e) The “Anti-Dissection Rule” and “Rule of Dominant Feature” should be equally important rules/principles.
- f) Other, please clarify.

No Group picked a) and only 1 Group (Chile) takes the view that “b) the ‘Rule of Dominant Feature’ should be the only rule/principle”.

There is no majority vote on any of the choices. 19 (50%) out of the 39 Groups providing answer to this question selected e), and are of the view that “the ‘Anti-Dissection Rule’ and ‘Rule of Dominant Feature’ should be equally important rules/principles”.

Group preferences as regards choices c) and d) are close to each other: 7 (20%) Groups, including Denmark, Hungary, Indonesia, Italy, Japan, the Philippines and Poland, are of the opinion that “c) the ‘Anti-Dissection Rule’ should be the main rule/principle”, while 6 (15%) Groups opine that “d) the ‘Rule of Dominant Feature’ should be the main rule/principle”, including Australia, Belgium, Chinese Taipei (IM), France, Korea and Thailand. The Paraguayan Group did not answer this question and the other 7 Groups did not pick any of choices a)-e) but provided

other answers/comments to this question.

When stating that “Anti-Dissection Rule” should be the main rule/principle, the Belgian Group believes that the overall impression conveyed by a composite trade mark may, in some cases, be dominated by one or more of its components and therefore account should also be taken of the dominance and distinctiveness of the components of composite trade marks, if any.

While agreeing that “Anti-Dissection Rule” should be the main rule/principle, Groups such as Australia, Chinese Taipei (IM), France and Thailand hold that “Rule of Dominant Feature” shall still exist and supplement in similarity judgement.

The Japanese Group comments that a dominant part does not have to be very distinctive.

The Groups which indicate that the two rules should be equally important are of the opinion that it should be determined case by case and that it is not advisable to determine in abstract which principle should prevail over the other. The two rules should be balanced and both considered when evaluating the trade mark similarity in respect of the relevant consumers. In China, the Interpretation of the Supreme Court explicitly states “both a comprehensive comparison of trade marks and a comparison of their dominant features shall be conducted separately”.

The Groups of Peru and the UK comment that there should be other rules to be adopted as well in addition to the “Anti-Dissection Rule” and “Rule of Dominant Feature”. The Peruvian Group holds that any other rule or test based on consumer psychology or neuronal reaction which may facilitate an appropriate assessment should be the option as well. The UK Group believes the listed two rules are equally important, however they are not the only relevant principles and all relevant factors must be taken into account when assessing the degree of similarity between marks and the overall impressions made by them on the average consumer.

15) Should the non-distinctive element of trade marks be disregarded completely when assessing similarity between the marks? Please pick one of the following choices and provide your comments if any:

- a) Yes.**
- b) Yes except where justified (please clarify when it would be justified).**
- c) No.**
- d) Other, please clarify.**

2 (5%) out of 39 Groups which answered this question, including Chile and Mexico, prefer a), and are of the view that the non-distinctive element of trade marks should be disregarded completely when assessing similarity between the marks without exceptions; 15 (40%) Groups are of the opinion that such an element should normally be disregarded completely but with exceptions; 21 (55%) Groups agree

that the non-distinctive element of trade marks should not be disregarded completely.

The Turkish Group did not choose any of a)-c) and differentiates the situations of the non-distinctive elements as being of visual effect and being of no visual effect and comments that such a non-distinctive element should not be negligible if it can convey a visual effect in terms of the font, composition, or relative position of the various components within the arrangement of the mark. The Groups of Paraguay and Uruguay did not answer this question.

The justification or exceptions, provided by the Groups which prefer choice b), wherein the non-distinctive element should not be disregarded completely, vary.

The Groups of Croatia, Finland, Hong Kong (IM), Italy and the Philippines take it as a justification where the said non-distinctive element has a significant prominence through its position, colour, size, etc. or increases the overall distinctiveness of the mark, making the mark more memorable.

The Groups of Argentina, Russia and Spain take the view that inclusion of the said non-distinctive element strengthens the overall similar impression of the marks among the consumers.

The Korean and Peruvian Groups also point out the combination of non-distinctive elements with other elements may generate distinctiveness as a whole, which should therefore be the justification not to disregard the non-distinctive element.

In view of the Ecuadorian Group, it should be an exception if disregarding the non-distinctive element would imply dividing or altering the distinctive part of the trade mark.

The Hungarian and Italian Groups indicate acquired distinctiveness on the non-distinctive element as the justification when choosing b).

A number of Groups, such as Groups of Belgium, Bulgaria, China, Chinese Taipei (IM), France, India, UK and Vietnam, who object to disregarding the non-distinctive element completely, give the reason that overall assessment should be applied when judging the trade mark similarity.

The Bulgarian Group comments that each element in a trade mark plays a role in creating the impression from the trade mark and no element should be automatically disregarded or abandoned in the assessment. The Japanese Group also agrees that a non-distinctive element could stand out and contribute to the overall impression that a trade mark leaves in the consumer's mind.

The German Group opines that in some circumstances the non-distinctive elements may influence the overall impression of a trade mark and to have it or

not may affect the degree of the distinctiveness of the distinctive elements, therefore, the non-distinctive element should not be disregarded completely.

The Swedish Group emphasizes it should be case-by-case consideration.

16) Should it be possible for a non-distinctive element of a trade mark to be viewed as the dominant feature of the mark? Please pick one of the following choices and provide your comments if any:

- a) Yes but it should only be possible in exceptional cases – if so, please explain what can be such exceptional cases.**
- b) Yes, it should be possible in non-exceptional cases.**
- c) No, it should not be possible.**
- d) Other, please clarify.**

21 (55%) out of 39 answering Groups chose a), and are of the opinion that a non-distinctive element of a trade mark is possible to be the dominant feature but only in exceptional cases; 8 (20%) Groups chose b), opining that such possibility shall be in non-exceptional cases; only 5 (15%) Groups are of the opinion that it should not be possible (choice c); another 5 (15%) Groups provide other views; Groups of Paraguay and Uruguay did not answer this question.

Acquired distinctiveness and prominent use of the non-distinctive element are the mostly mentioned exceptional cases by the Groups who chose a).

The Groups of Argentina, Hong Kong (IM), Hungary, India, Mexico, and Russia view the situation of the non-distinctive element having acquired distinctiveness through use as an exceptional case. The Vietnamese Group also mentions the non-distinctive element having been widely used is an exceptional case.

The Groups of Belgium, Chinese Taipei (IM), Ecuador, India, Italy, Mexico, Spain, Switzerland, US, and Vietnam take it as an exceptional case wherein the said non-distinctive element is used prominently in terms of position, size, colour, etc., thereby giving the non-distinctive element more prominent character or making it more known or more recognized.

The Australian Group takes the view that even if it lacks distinctiveness, the non-distinctive element contributes to the overall impression of the mark visually, aurally and conceptually and such contribution would be greater if the elements in the marks have similar degrees of distinctiveness or if the non-distinctive element is the only word element in a composite mark.

The Indian Group meanwhile emphasizes it is essential to maintain a balance between protecting trade mark rights and preventing the unfair monopolization of common or descriptive terms.

The Groups of Brazil, Canada, Chile, Croatia, Finland, France, Latvia and Sweden are of the view that a non-distinctive element of a trade mark should be possible

to be the dominant feature in a non-exceptional case. That said, the Canadian Group agrees that it is rare for a non-distinctive element to be the dominant feature but the Groups believe it should be a case-by-case assessment.

While agreeing on that it should be possible for a non-distinctive element to be a dominant feature, the French Group also opines that the dominant character of the non-distinctive element cannot give it distinctive value, nor can it in itself give rise to a likelihood of confusion between the signs.

Some Groups including China, Germany, Indonesia, Japan and Poland take the firm standpoint that a non-distinctive element should not be the dominant feature of a mark. Both the Chinese and German Groups are of the view that the distinctive part of a mark should be given more consideration when assessing the similarity of the marks. The Polish Group states that non-distinctive elements are less likely to serve as an effective indicator of the origin of goods or services and that to allow a non-distinctive element to be viewed as the dominant feature could potentially dilute the strength and effectiveness of the trade mark as an identifier of origin and it may also lead to ambiguity and inconsistency in trade mark similarity assessment, making it more difficult to determine similarity between signs.

In the view of the Peruvian Group, the “non-distinctive” element has actually been distinctive where it is viewed as a dominant feature.

The Thai Group holds that in the context of trade mark registration, it should not be possible for a non-distinctive element to be viewed as the dominant feature of the mark but possible in infringement cases.

The UK Group views it as rare that an element with a low degree of distinctiveness dominates the mark as its dominating feature but rareness is different from exception.

17) Should the nature of the non-distinctive elements affect its influence on the similarity judgement of the conflicting trade marks which contain the said non-distinctive elements? Please pick one of the following choices and provide your comments if any:

- a) Yes, the nature of non-distinctive elements should make a difference.**
- b) No, the nature of non-distinctive elements should not make a difference**
- c) Depends on the circumstances – please explain what those circumstances include.**
- d) Other, please clarify.**

16 (40%) out of 39 answering Groups chose a), stating that the nature of the non-distinctive element should make a difference on its influence on the similarity judgement of the conflicting trade marks which contain the said non-distinctive

element; 12 (30%) Groups say the opposite and that it should not make a difference, choosing b).

10 (25%) Groups are of the view that it shall depend on the circumstances. However, many express sympathy for a) above. Taking some Groups' comments as examples. The Canadian Group comments that *"it would be possible for trade marks which contain the described characteristics of the goods and services with which they will be used to have those portions of the trade marks accorded a different weight than trade marks which contain the name of the goods"*, which actually implies that the nature (e.g., being descriptive or generic) of the non-distinctive element does affect its influence on the similarity judgement. The German Group is of the view that it would not be right to deny a non-distinctive element, such as pictures, an influence on the overall impression of a mark, and thus on the assessment of similarity, in the same way as purely descriptive terms, which also implies the nature of the non-distinctive element shall play a role in determining its influence on the similarity judgement. The Hungarian Group considers both *"the number and the nature of these non-distinctive elements should be of importance"* which also is consistent with the effect of the nature of the non-distinctive element over its influence to the similarity judgement. The same view is taken by the Indian Group, which lists other issues which should make difference in similarity judgement in addition to the nature of the non-distinctive elements.

The UK and US Groups are the only Groups which clearly and explicitly opine that *"while the nature of non-distinctive elements should not affect its influence, there may be cases in which they do"* and it *"should be considered case-by-case basis."*

The Polish Group states that the nature of the non-distinctive element is of no relevance to the overall assessment on trade mark similarity. It should be the other circumstances that influence the similarity judgement.

The Groups of Paraguay and Uruguay did not answer this question.

18) In terms of factors to consider in a trade mark registrability context as opposed to a trade mark infringement context, should there the same or different factors to consider, when assessing trade mark similarity involving non-distinctive elements in the two contexts? Please pick one of the following choices and provide your comments if any:

- a) **There should be different factors to consider.**
- b) **The same factors should be considered.**
- c) **Depends on the circumstances – please explain what those circumstances include.**
- d) **Other, please clarify.**

24 (60%) out of 39 answering Groups take the view that the same factors should be considered in contexts of registrability assessment and infringement

assessment; 9 (25%) Groups think there should be different factors to consider, including Brazil, Chile, China, Chinese Taipei (IM), Croatia, Finland, Hong Kong (IM), Japan and Thailand; 4 (10%) Groups including Denmark, India, Poland and Turkey chose c), stating that it depends on the circumstances.

Consistency and certainty are indicated by some Groups as reasons to take the same factors to consider in both contexts when assessing trade mark similarity involving non-distinctive elements, such as Australia, Mexico and the Philippines. The German Group comments that the two contexts are closely interconnected, both of which in fact are guided by the need to exclude non-distinctive elements from protection. The UK Group is of the view that the trade mark similarity assessment in both contexts must be made on the basis of the overall impression, taking into account their respective distinctive and dominant components. The US Group also believes the same universal similarity factors should be considered in both registrability and infringement contexts, with all pertinent facts and circumstances being taken into account.

As commented by the Groups of China and Japan, the actual use factor of the concerned marks is not normally considered in the registration context but it is important to consider in the infringement context. Chinese Taipei (IM) takes the view that assessing trade mark similarity involving non-distinctive elements in the infringement context should be more careful since trade mark infringement involves civil compensation and criminal liability so not only the entire impression of the mark, but also the use status, history and even intention of using non-distinctive elements should be taken into account. All of them conclude that different factors shall be considered in contexts of trade mark registrability and infringement.

The Danish and Indian Groups believe that generally the same factors are considered in both contexts but there may be certain differences between them according to the specific situations. The Danish Group thinks that weighing of the relevant factors may be generally different in the two contexts and the Indian Group consider some factors are likely only available in the infringement context.

The French and Peruvian Groups both point out that use is the factor differently treated in the two contexts. The French Group is of the view that use should not be taken into consideration in the registrability context except in the case of proving an increase in the distinctiveness, or the reputation of the earlier trade mark but it is an essential factor in the infringement context. The Peruvian Group takes the view that the infringement context provides more real-world use-related factors to be considered when assessing trade mark similarity involving non-distinctive elements, which are not necessarily available in the trade mark registration context.

The Groups of Paraguay and Uruguay did not answer this question.

- 19) **In the assessment of registrability of a later trade mark, what factors should be considered when judging whether trade marks including non-distinctive elements are considered confusingly similar or otherwise conflicting? Please pick one or more choices from the following list and provide your comments if any:**
- a) **The nature of the non-distinctive elements.**
 - b) **The structure of the marks, for instance how severable the distinctive and the non-distinctive parts are and the proportion in size between the distinctive part and the non-distinctive part.**
 - c) **The history and use status of the earlier mark.**
 - d) **The history and use status of the later mark.**
 - e) **The industry field of the concerned marks.**
 - f) **The sophistication of the relevant public.**
 - g) **The practices and conventions as to the use of trade marks in the market for the relevant goods or services.**
 - h) **The relationship between the holders of the two marks.**
 - i) **The background and history of the earlier mark holder.**
 - j) **The background and history of the later mark holder.**
 - k) **The other marks of the earlier mark holder.**
 - l) **The other marks of the later mark holder.**
 - m) **The perception of the consumer (as to the non-distinctive element).**
 - n) **Others, please clarify.**

The Groups of Paraguay and Uruguay did not answer this question.

11 Groups, including Argentina, Canada, Denmark, Hungary, India, Italy, Japan, Korea, Mexico, Peru, and the Philippines, selected all the listed factors a)-m), holding that they are all relevant and should be considered when judging whether trade marks including non-distinctive elements are similar or otherwise conflicting in the assessment of registrability of a later trade mark. Factor b) (The structure of the marks, for instance how severable the distinctive and the non-distinctive parts are and the proportion in size between the distinctive part and the non-distinctive part) is selected by all the 39 answering Groups.

The selections of the listed factors a)-m), from most popular to the least popular, made by Groups were:

- b) The structure of the marks, for instance how severable the distinctive and the non-distinctive parts are and the proportion in size between the distinctive part and the non-distinctive part (chosen by 39 Groups out of 39 answering Groups, 100%);
- m) The perception of the consumer (as to the non-distinctive element) (chosen by 36 Groups out of 39, 90%);

- c) The history and use status of the earlier mark (chosen by 33 Groups out of 39, 85%);
- f) The sophistication of the relevant public (chosen by 33 Groups out of 39, 85%);
- g) The practices and conventions as to the use of trade marks in the market for the relevant goods or service (chosen by 33 Groups out of 39, 85%);
- a) The nature of the non-distinctive elements (chosen by 31 Groups out of 39, 80%);
- e) The industry field of the concerned marks (chosen by 29 Groups out of 39, 75%);
- k) The other marks of the earlier mark holder (chosen by 23 Groups out of 39, 60%);
- h) The relationship between the holders of the two marks (chosen by 19 Groups out of 39, 50%);
- d) The history and use status of the later mark (chosen by 16 Groups out of 39, 40%);
- l) The other marks of the later mark holder (chosen by 16 Groups out of 39, 40%);
- i) The background and history of the earlier mark holder (chosen by 15 Groups out of 39, 40%);
- j) The background and history of the later mark holder (chosen by 14 Groups out of 39, 35%).

The Argentine and US Groups take the view that the factor list should not be a closed list and any other relevant factors should be taken into consideration and balanced, depending on the circumstance of the case.

The Chinese Group holds that the assessment of the similarity of trade marks in the registration process shall focus on the constituent elements of the marks themselves, i.e., whether the whole or main parts of the trade marks are similar or not. Particular background and history of trade marks shall be taken into consideration only in very exceptional cases.

Though selecting all the factors in this question, the Indian Group considers it impossible in practice for the examiner to take into account factors such as (i), (j), (f), (g), (h), (c), (d) and (m) and therefore the examiner practically must consider (a), (b) and (e) factors in the registrability context and can consider the rest, if an

opposition is filed by the earlier mark holder, where evidence is provided on the other factors.

Chinese Taipei (IM) comments that the trade mark registration system follows a registration-based approach rather than a use-based approach, so the history and use status of the prior/later mark should not be taken into account and also the background or other marks of the mark holders should not be considered as determining factors since such factors are too subjective and lack of objectivity.

Another factor proposed to include into the list is the nature of the product by the Japanese Group.

20) In the assessment of trade mark infringement, what factors should be considered when judging whether trade marks including non-distinctive elements are considered confusingly similar or otherwise conflicting? Please pick one or more choices from the following list and provide your comments if any:

- a) The nature of the non-distinctive elements.
- b) The structure of the marks, for instance how severable the distinctive and the non-distinctive parts are and the proportion in size between the distinctive part and the non-distinctive part.
- c) The history and use status of the registered/common law mark.
- d) The history and use status of the suspected infringing mark.
- e) The industry field of the relevant marks.
- f) The sophistication of the relevant public.
- g) The practices and conventions as to the use of trade marks in the market for the relevant goods or services
- h) The relationship between the holders of the two marks.
- i) The background and history of the holder of the registered/common law mark.
- j) The background and history of the suspected infringer.
- k) The other marks of the holder of the registered/common law mark.
- l) The other marks of the suspected infringer.
- m) The perception of the consumer (as to the non-distinctive element).
- n) Others, please clarify.

The Groups of Paraguay and Uruguay did not answer this question.

15 Groups, including Argentina, Canada, China, Chinese Taipei (IM), Denmark, Hungary, India, Italy, Japan, Korea, Mexico, Peru, the Philippines, Turkey and the US, selected all the listed factors a)-m), holding that they are all relevant and should be considered when judging whether trade marks including non-distinctive elements are similar or otherwise conflicting in the assessment of trade mark infringement.

The preferences of the Groups in relation to the listed factors a)-m) from most popular to the least were:

- b) The structure of the marks, for instance how severable the distinctive and the non-distinctive parts are and the proportion in size between the distinctive part and the non-distinctive part (chosen by 37 Groups out of 39 answering Groups, 95%);
- m) The perception of the consumer (as to the non-distinctive element) (chosen by 36 Groups out of 39, 90%);
- c) The history and use status of the registered/common law mark (chosen by 34 Groups out of 39, 85%);
- f) The sophistication of the relevant public (chosen by 34 Groups out of 39, 85%);
- g) The practices and conventions as to the use of trade marks in the market for the relevant goods or service (chosen by 33 Groups out of 39, 85%);
- e) The industry field of the relevant marks (chosen by 31 Groups out of 39, 80%);
- k) The other marks of the holder of the registered/common law mark (chosen by 26 Groups out of 39, 65%);
- a) The nature of the non-distinctive elements (chosen by 23 Groups out of 39, 60%);
- d) The history and use status of the suspected infringing mark (chosen by 23 Groups out of 39, 60%);
- i) The background and history of the holder of the registered/common law mark (chosen by 23 Groups out of 39, 60%);
- j) The background and history of the suspected infringer (chosen by 23 Groups out of 39, 60%);
- h) The relationship between the holders of the two marks (chosen by 22 Groups out of 39, 55%);
- l) The other marks of the suspected infringer (chosen by 21 Groups out of 39, 55%).

The Australian Group selected a), b), e), f), g) and m) and holds that the other factors may be relevant in establishing a defence but they should be considered separately for that defence. The German Group is of the view that the use and consequential reputation of the earlier mark will make a difference.

The Argentine and US Groups take the view that the factor list should not be a closed list and any other relevant factors should be taken into consideration and balanced, depending on the circumstance of the case.

In addition to what has been listed in the question, other factors are proposed to add into the list by various Groups.

The Chinese Group opines that the judgment of similarity shall be based on the specific circumstance of the case, taking into account the distinctiveness of the relevant trade marks, the actual use of the trade marks, and whether there exists any bad-faith intent and other factors. The Chinese Taipei (IM) also considers the subjective intention (bad faith or good faith) as an important factor.

The Finnish Group proposes the phonetical and semantic similarity of the trade marks to be considered. The Japanese Group suggests taking into consideration the nature of the product. The Spanish Group mentions the situation of coexistence of other marks containing the term(s) in question.

21) Should trade mark (A) in the following scenarios be viewed as sufficiently dissimilar from the trade mark (B)?

Scenario 1: a trade mark (A) is a combination of an entire earlier mark (B) or a mark similar to an earlier mark (B) and some non-distinctive element(s) when assessing whether the later mark can be registered. Please pick one of the following choices and provide your comments if any:

- a) No, it should definitely not be registered.**
- b) Yes, it should be the case in all but exceptional situations.**
- c) Yes, it should be but only in exceptional cases.**
- d) Other, please clarify.**

19 (50%) out of 39 answering Groups hold that a trade mark which is a combination of what identical with or similar to an earlier mark and some non-distinctive element(s) should not be viewed as sufficiently dissimilar from such earlier mark when assessing whether the later mark can be registered; only the Brazilian Group (5%) picked b), opining that such two marks generally speaking should be sufficiently dissimilar except in exceptional situations, when assessing the registrability of the later mark; 10 (25%) Groups consider such two marks should be viewed as sufficiently dissimilar only in exceptional cases; still 9 (25%) Groups provide other views in this regard.

The Groups of Paraguay and Uruguay did not answer this question.

By picking choice a), the Chinese Group indicates that the non-distinctive element is not the prominent feature of a trade mark and the applied-for trade mark should not be accepted for registration when the earlier trade mark contains the same or

similar prominent feature of the applied-for mark. The Groups of Chinese Taipei (IM), France and Germany have the same opinion. The German Group comments that the added non-distinctive elements should not have any influence on the overall impression of the later mark and Chinese Taipei (IM) is of the view that the non-distinctive element(s) contributes little influence to the entire mark.

Some exceptional situations are mentioned by those Groups who picked choice c), which are mainly where sufficient difference in overall impression or in dominant elements has been generated. The Danish Group comments it will likely be the only exceptionally rare situation that the overall impressions of the two marks are so different that the later mark can be meaningfully distinguished from the earlier one. The Swiss Group shares the Danish Group's view. The Finnish Group considers such an exceptional case could arise e.g., if the distinctive elements of the later trade mark are similar only to a low degree to the earlier trade mark or if the non-distinctive element of later trade mark is to constitute its dominant element. The Indian Group also opines the two marks can be dissimilar in such a scenario only if the non-distinctive elements which are added to the combination are able to make the two marks sufficiently distinguished.

Those Groups who chose d) generally are of the opinion that it should be case-by-case judgement, such as Australia, Canada, Latvia, Mexico, Poland and UK. The Australian Group thinks the answer to the question is subject to the nature of the marks, the shared non-distinctive element, and the additional element(s) in the trade mark. The Canadian Group opines it depends on the non-distinctive elements and that it cannot automatically say the two marks are "not sufficiently dissimilar" just because mark A contains mark B as an element. The Peruvian Group takes the ingredient of subjectivity as one of the main issues concerning the assessment of similarity, which needs to be analyzed on a case-by-case basis, considering the entire universe of the marks leading to difficulty to provide a "general" practice stance under a yes or no answer scheme.

The UK Group chose "other" because any relative ground refusal of the later mark depends on factors beyond the similarity of the marks in UK.

Scenario 2: a trade mark (A) consists of the distinctive elements of an earlier mark (B) which also includes some non-distinctive element(s) when assessing whether the later mark can be registered. Please pick one of the following choices and provide your comments if any:

- a) **No, it should definitely not be registered.**
- b) **Yes, it should be the case in all but exceptional situations.**
- c) **Yes, it should be but only in exceptional cases.**
- d) **Other, please clarify.**

17 (45%) out of 39 answering Groups hold that a trade mark consisting of the distinctive elements of an earlier mark should not be viewed as sufficiently dissimilar from such an earlier mark when assessing whether the later mark can

be registered; only 1 (5%) Group, Chile, selected b), opining that such two marks generally speaking should be sufficiently dissimilar, except in exceptional situations, when assessing the registrability of the later mark; 11 (30%) Groups consider such two marks should be viewed as sufficiently dissimilar only in exceptional cases; still 10 (25%) Groups provide other views in this regard.

The Groups of Paraguay and Uruguay did not answer this question.

The Chinese Group takes the view that the prominent part of a trade mark containing non-distinctive elements should be the other constituent elements than the non-distinctive elements and it is rather difficult to allow a later mark to be registered whose prominent part identical with or similar to an earlier mark's. The Polish Group also agrees that the non-distinctive elements do not deserve a stand-alone protection and do not affect the overall character of the mark B that significantly.

The French Group emphasizes that distinctive and dominant elements must be taken into account when judging overall impression similarity of the trade marks at issue in terms of the visual, aural or conceptual aspect. Though picking choice a), the French Group however admits that the addition of one or more non-distinctive elements to a trade mark can sometimes be enough to create a sufficiently different global impression, despite the reuse of the distinctive element.

While generally agreeing that a later trade mark consisting of the distinctive elements of an earlier mark which also includes some non-distinctive element(s) should not be judged as dissimilar from the earlier mark when assessing whether the later mark can be registered, the Danish Group agrees there should be exceptionally rare instances where the two marks should be viewed as dissimilar, that is, when the non-distinctive element is implemented in a manner that is so dominant that the overall impression of the two marks are different.

By choosing c), Hong Kong (IM) considers such factors as the overall impression of the two trade marks and how prominent the distinctive elements are should also be taken into mind when judging similarity of the two marks. The Swiss Group opines the overall impression of the two marks should be decisive and only in exceptional cases, should adding non-distinctive elements to the distinctive elements of an earlier mark be considered to have changed the overall impression of the mark in such a way that the earlier mark is not recalled when perceiving the later mark.

As one of the Groups which chose "other", the Australian Group, just like in its answer to Q21a), takes the view that the conclusion shall be subject to the nature of the marks, the shared non-distinctive element, and the additional element(s) in the trade mark. The German also agrees it shall depend on the nature, position, graphical implementation of the "distinctive elements" in the earlier trade mark and believes there must at least be some room for discussion whether the "distinctive

elements” really dominate the earlier mark in a way that would support a finding of similarity and likelihood of confusion with the later mark.

The Canadian and Mexican Groups say it should depend on how prominent the non-distinctive elements are to decide whether the two marks in the said scenario are similar or dissimilar and that it would be highly likely for the two marks to be determined as similar to each other. The Mexican Group also indicates a letter of consent may solve the similarity issue in trade mark registration.

The Japanese Group is of the view that the later mark (A) may be determined to be registerable if it can be recognized as an identifier of a different source from that of the earlier mark (B), in relation to the designated goods/service.

The Peruvian Group states that the assessment of similarity is very subjective and should be analyzed on a case-by-case basis, taking into account the entire universe of registered (or protected) marks, and because of this it is difficult to provide a “general” practice stance under a yes or no answer scheme.

The Turkish Group is of the view that different conclusion may be drawn in different procedures, that is, the two marks should be sufficiently dissimilar in the ex-officio examination if the marks are not identical to the word element and the non-distinctive elements of the earlier trade mark create verbal and/or visual difference; however, in the possible opposition on the ground of likelihood of confusion and risk for association (serial trade mark) between the marks, more factors should be taken into consideration by the examiners.

The UK Group takes the view that where the later mark reproduces the distinctive element of an earlier mark combined with non-distinctive elements, the likelihood should be that these marks are similar but they would need more factors to be clarified to make a clear answer.

Scenario 3: in a trade mark infringement action, a trade mark (A) used by another party is a combination of a protected earlier mark (B) or a mark similar to a protected earlier mark (B) and some non-distinctive element(s). Please pick one of the following choices and provide your comments if any:

- a) No, the unregistered mark should definitely not be determined to be dissimilar.**
- b) Yes, the unregistered mark should be determined to be dissimilar in all but exceptional cases.**
- c) Yes, the unregistered mark should be determined to be dissimilar only in exceptional cases.**
- d) Other, please clarify.**

17 (45%) out of 30 answering Groups selected a), holding that a trade mark in use which is a combination of what identical with or similar to a protected earlier mark

and some non-distinctive element(s) should not be viewed as sufficiently dissimilar from such earlier mark in a trade mark infringement action; only the Brazilian Group (5%) opines that such two marks generally speaking should be sufficiently dissimilar, except in exceptional situations, in a trade mark infringement action; 11 (30%) Groups consider such two marks should be viewed as sufficiently dissimilar only in exceptional cases; still 10 (25%) Groups provide other views in this regard.

The Groups of Paraguay and Uruguay did not answer this question.

The German Group's rationale in picking choice a) is that it would severely impair the scope of protection of the distinctive earlier mark if a trade mark with a combination of a protected earlier mark or a similar one and some non-distinctive element(s) were to be decided to be sufficiently dissimilar to the protected earlier mark, since it in effect would grant the non-distinctive element the significance of granting the "infringer" the possibility of using an otherwise identical/similar mark by adding non-distinctive elements.

While picking choice a), the Turkish Group comments that the combination of the dominant elements in a trade mark and a non-distinctive part does not create conceptual difference or leads to any meaning in the Turkish language. Chinese Taipei (IM) holds similar opinion, opining that it can easily cause the confusion of consumers in a case the suspected infringing mark contains a protected earlier mark and some non-distinctive elements.

When holding that normally the marks in such a scenario should be determined as similar but in some exceptional cases, they shall be viewed as dissimilar, the Croatian and Finnish Groups provide two possible such exceptional cases, that is, where the distinctive elements of the protected trade mark are similar in a low degree to the elements of the suspected infringing trade mark and where the suspected infringing mark contains a non-distinctive element which is positioned as the dominant feature. The Indian Group considers in exceptional cases, factors such as manner of presentation, nature and structure of the non-distinctive elements, difference in goods and services, as well as the role played by the non-distinctive element in the consumer perception, etc. should be taken into account.

The Groups which answered "others" take the overall view that it should be a case-by-case judgement. The Groups of Australia and Estonia both agree that the assessment principles should be the same in both registrability and infringement contexts. The Australian Group holds that the judgement is subject to the nature of the marks, the shared distinctive element, and the additional element(s) in the trade mark. The Canadian Group is of the view that the judgement depends on the non-distinctive elements and conclusion of not being sufficiently dissimilar cannot be automatically drawn just because mark (A) contains mark (B) as an element. The Chinese Group also thinks there should be more factors to be considered to determine trade mark similarity in a civil infringement case, not only comparing the constituent elements of the trade marks, but also taking into

account factors such as the distinctiveness and popularity of the registered trade mark for which protection is sought. The French Group agrees that it is the distinctive element of the trade mark that performs the essential function of identifying the origin of products and that must be effectively protected; however, as this is a case-by-case assessment, it is not advisable to completely rule out the possibility of exceptional cases in which the newly formed whole is sufficiently distinct from the earlier trade mark. The UK Group also agrees there should be other factors to be considered as well, which lead to the uncertainty of the answer to this question. The Peruvian Group believes trade mark similarity determination should be a case-by-case assessment as it is very subjective. The Polish Group holds that only in very rare cases when the non-distinctive elements completely change the overall character of the mark there should be a possibility of finding them dissimilar but in most of such scenarios even if additional non-distinctive elements severely impact the perception of the mark, there would still be at least some low similarity.

Scenario 4: in a trade mark infringement action, a trade mark (A) used by another party consists of the distinctive elements of a protected earlier mark (B) which also includes some non-distinctive element(s). Please pick one of the following choices and provide your comments if any:

- a) **No, the unregistered trade mark should definitely not be determined to be dissimilar.**
- b) **Yes, the unregistered trade mark should be determined to be dissimilar in all but exceptional cases.**
- c) **Yes, the unregistered trade mark should be determined to be dissimilar only in exceptional cases.**
- d) **Other, please clarify.**

18 (45%) out of 39 answering Groups selected a), holding that a trade mark in use which consists of the distinctive elements of a protected earlier mark should not be viewed as sufficiently dissimilar from such earlier mark in a trade mark infringement action; only the Chilean Group opines that such two marks generally speaking should be sufficiently dissimilar in all but exceptional situations, in a trade mark infringement action; 10 (25%) Groups consider such two marks should be viewed as sufficiently dissimilar only in exceptional cases; still 10 (25%) Groups provide other views in this regard.

The Groups of Paraguay and Uruguay did not answer this question.

There was, generally, less emphasis on further bases/rationale from Groups who picked a). The Polish Group thinks the reasoning in this scenario is the same as in Scenario 2, which is the contrary to Scenarios 1 and 3, holding that there will be at least some similarity as the later mark does not have any additional elements that could be used to argue for its overall different character.

While picking c), the Indian Group named some exceptional cases such as concurrent use, balance of convenience, delay, laches and acquiescence, different goods and services (even in the same class). The exceptional case given by Chinese Taipei (IM) is when the mark in use consists of some other distinctive element(s). The same as in Scenario 2, the Swiss Group opines the overall impression of the two marks should be decisive and only in exceptional cases should adding non-distinctive elements to the distinctive elements of an earlier mark be considered to change the overall impression of the mark in such a way that the protected mark is not recalled when perceiving the mark in use.

More explanations are received from Groups picking d). These Groups generally hold that it should be a case-by-case conclusion. The Australian Group, as in its answer to Scenario 3, holds that the judgement is subject to the nature of the marks, the shared distinctive element, and the additional element(s) in the trade mark. The Canadian Group agrees that such marks seem highly unlikely to be determined to be dissimilar but it would depend on how prominent the non-distinctive elements are in earlier mark. The Thai Group also holds it depends on the “non-distinctive element(s)” of the protected earlier mark. China has cases with different conclusions and the Chinese Group holds it is case-by-case assessment. The Peruvian Group also believes the assessment of similarity needs to be analyzed on a case-by-case basis due to the ingredient of subjectivity. The UK Group comments that the assessment of similarity depends on other factors beyond the relative distinctiveness of the overlapping and differing elements of the marks. The German Group thinks in the case of a later unregistered mark containing “distinctive elements” of the protected earlier mark, there should at least be room for discussion whether the “distinctive elements” of the earlier mark in fact dominate its overall impression and only if that is the case, the use of these “distinctive elements” (in combination with non-distinctive elements or not) can be said to be “similar” to the earlier trade mark. The Latvian Group thinks it not possible to give straightforward answers due to lack of images of the compared trade marks.

The French Group comments: if the distinctive element of a registered trade mark is reused by a later sign without authorisation, this should, save in exceptional cases, be a case of infringement, even if certain non-distinctive elements of the trade mark are not reused. The fact that the registered sign contains non-distinctive elements should not prevent the trade mark holder from asserting its rights on the distinctive elements alone, since otherwise, it would be tantamount to abolishing the offence of infringement by imitation.

22) Should the trade marks in the following scenarios be found to be similar marks?

Scenario 1: two trade marks share the same or very similar non-distinctive element but with different distinctive elements when assessing whether the

later mark can be registered. Please pick one of the following choices and provide your comments if any:

- a) No, they should definitely not be determined to be similar.**
- b) Yes, they should be determined to be similar in all but exceptional cases.**
- c) Yes, they should be determined to be similar only in exceptional cases.**
- d) Other, please clarify.**

18 (45%) out of 39 answering Groups hold that two trade marks sharing the same or very similar non-distinctive element but with different distinctive elements should not be viewed as sufficiently dissimilar when assessing whether the later mark can be registered; only the Chilean Group (5%) opines that such two marks generally speaking should be sufficiently dissimilar in all but exceptional situations, when assessing the registrability of the later mark; 9 (25%) Groups consider such two marks should be viewed as sufficiently dissimilar only in exceptional cases; still 11 (30%) Groups provide other views in this regard.

The Groups of Paraguay and Uruguay did not answer this question.

Amongst the Groups which chose a) holding the two marks should not be determined as similar, the Chinese and Danish Groups agree that the non-distinctive elements are usually not the main recognizable part of a trade mark so such two marks will not be found as similar if the two trade marks have different distinctive elements. Meanwhile, the Danish Group also comments that it is difficult to assess in the abstract in the proposed regime, where practically everything can play a role in the assessment. The French and German Groups both hold that a finding of similarity in such a case cannot be appropriate as it would mean that the non-distinctive elements are granted an exclusive right that the law does not grant them. The US Group comments that no case law in the USA supports a finding of similarity in such a situation and holds that it shall subject to the caveat that these cases always depend on the details, facts, and circumstances of the case.

Some Groups provided examples of exceptional cases where the two marks may be determined as similar while holding that they should normally be decided as dissimilar. The Groups of India, the Philippines and Tukey take such a situation as an exceptional case that the shared non-distinctive element forms a dominant or prominent part of the marks to make the overall impression similar enough to cause confusion. The Turkish Group also comments that in the context of trade mark registration, it is important to consider the distinctive elements' strength and prominence in assessing the likelihood of confusion among consumers and when trade marks sharing non-distinctive elements may exhibit a degree of similarity, only in exceptional cases should such marks be deemed similar, thus, ensuring that trade mark registration remains accessible to applicants while safeguarding against the undue restriction of marketplace competition. The Japanese Group holds that two trade marks sharing the same or very similar non-distinctive element but with different distinctive elements should be compared in terms of overall

appearance, pronunciation and meaning and they should be found to be similar only if they are similar in overall appearance, pronunciation, and meaning. Chinese Taipei (IM) regards the situation wherein the non-distinctive element of the earlier mark has been well-known, and the distinctive element of the later mark is not strong enough to influence the image from customers as an exceptional case when the two marks could be considered similar in the said scenario.

From the comments provided by the Groups who picked choice d), some do agree that such two marks generally speaking should not be determined as similar but the conclusion is case by case or depends on various factors, such as Australia, Belgium, Canada, Estonia and Poland. The Australian Group opines that such factors include the nature and distinctiveness degree of the non-distinctive elements and similarly, the Brazilian Group thinks that the analysis will depend on the nature and relevance of the non-distinctive element when compared to the distinctive one. The Estonian Group holds the exceptions may exist considering the factors of, e.g., position and size of elements, as well as the overall impression.

Both the Croatian and Finnish Groups hold that the assessment should concentrate on the comparison between the distinctive elements and the conclusion depends on the degree of similarity of the distinctive elements. The Finnish Group comments that the non-distinctive elements should have a minor or non-existent impact on the conclusion; however, by the word “different”, it cannot be assured it means the distinctive elements are dissimilar.

The Peruvian Group considers one of the main issues in the assessment of similarity is the element of subjectivity, which needs to be analyzed on a case-by-case basis, taking into consideration the whole universe of registered (or protected) marks, so that it is difficult to provide a “general” practice stance under a yes or no answer scheme.

The UK Group finds some factors beyond the relative distinctiveness of the overlapping and differing elements of the marks are missing which the assessment of similarity depends on so it cannot be concluded whether or not the marks are similar.

Scenario 2: In a trade mark infringement action, two trade marks share the same or very similar non-distinctive element but contain different distinctive elements. Please pick one of the following choices and provide your comments if any:

- a) **No, they should definitely not be determined to be similar.**
- b) **Yes, they should be determined to be similar in all but exceptional cases.**
- c) **Yes, they should be determined to be similar only in exceptional cases.**
- d) **Other, please clarify.**

18 (50%) out of 38 answering Groups selected a), holding that two trade marks sharing the same or very similar non-distinctive element but with different distinctive elements should not be viewed as sufficiently dissimilar in a trade mark infringement action; only the Chilean Group opines that such two marks generally speaking should be sufficiently dissimilar in all but exceptional situations, in a trade mark infringement action; 8 (20%) Groups consider such two marks should be viewed as sufficiently dissimilar only in exceptional cases; still 11 (30%) Groups provide other views in this regard.

The Groups of Brazil, Paraguay and Uruguay did not answer this question.

The comments provided by the Groups in this question are very similar to those in Scenario 1.

While picking a) and believing that the two marks only sharing non-distinctive elements should not be found to be similar, the Danish Group however comments that it is difficult to assess in the abstract since practically everything can play a role in the assessment.

The French Group considers it is logical and consistent to determine the two marks are not similar since otherwise it would be tantamount to conferring an exclusive right on a non-distinctive element. The German Group, sharing the opinion of the French Group, comments that a finding of similarity would, in effect, mean that the non-distinctive elements are afforded a role that the law does not grant them.

Amongst the Groups who picked choice c), the Indian Group considers it is unlikely for consumers to be confused between the two marks if they contain different distinctive elements so such trade marks should be determined to be similar only in exceptional cases, where the common non-distinctive element is so prominent that it results in consumer confusion. The Japanese Group holds that the two marks should be compared in terms of overall appearance, pronunciation and meaning and they should be found to be similar only when they are similar in overall appearance, pronunciation, and meaning if they share the same or very similar non-distinctive element but contain different distinctive elements in a trade mark infringement action. The Turkish Group opines the presence of a shared non-distinctive element may heighten the risk of confusion among consumers, but such risk is low when the distinctive elements play a significant role in differentiating the overall commercial impression and that it should even be more exceptional to determine the said marks are similar in the context of trade mark infringement than in the context of trade mark registration.

Some Groups, such as the Groups of Belgium, Canada and Estonia, which chose d), in substance also support choice c), holding that in principle, such marks should not be determined as similar unless in exceptional cases.

The Finnish Group holds that the assessment should concentrate on the comparison between the distinctive elements, and that the non-distinctive elements should have a minor or non-existent impact; however, by the word 'different', the Group cannot conclude that the distinctive elements are dissimilar so no clear conclusion can be made. The Latvian Group also cannot give possible straightforward answers due to lack of images of compared trade marks.

The Peruvian Group holds that the ingredient of subjectivity in such assessment is the main issue to make it difficult to provide a “general” practice stance under a yes or no answer scheme.

The Polish Group comments that there is a concerning trend for the Polish courts to evaluate trade marks more liberally than the IP office, factually restricting the owners’ protection so there is higher likelihood of the marks in this Scenario than that in Scenario 1.

The UK Group finds it hard to make a conclusion whether or not the marks are similar as some factors are missing which are beyond the relative distinctiveness of the overlapping and differing elements of the marks but needed to assess similarity.

23) Please comment on any additional issues concerning any aspect that you consider relevant to this Study Question.

The Argentine Group views it hard to achieve harmonisation in relation to the issue in this Study Question and suggests the only harmonisation to support is to allow case-by-case analysis and judgement. The Estonian Group also believes no strict harmonization on the issue in this Study Question should be needed while these assessments should be carried out on case-by-case basis.

The Ecuadorian Group believes that emphasis should be placed on protecting the unique aspects of a trade mark to ensure more effective protection of its distinctiveness and is of the view that protecting a trade mark with both distinctive and non-distinctive elements as a unified whole could diminish its enforceability.

The Hungarian Group supports the view on the difference between trade mark infringement cases and trade mark registration proceedings regarding the issue in this Study Question. In its opinion, in trade mark infringement cases, other persons may not be prevented from using non-distinctive signs while in registration procedures, the non-distinctive elements may be given more weight.

The Japanese Group points out the criteria for determining the distinctiveness of trade marks would be a prerequisite for the Rule of Dominant Feature and deserve being studied.

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The Paraguayan Group emphasizes that the examination of trade marks in general, whether composite or not, must determine the influence of all the elements as a whole.

The Portuguese Group holds it essential to consider the evolving nature of consumers' behaviour and market dynamics in assessing the similarity of trade marks involving non-distinctive elements.

The Turkish Group calls for its Trade mark Office to provide more detailed rationales in their decisions which would not only offer greater clarity on their decision-making process but also provide valuable insights into the interpretation of their perspective.

The UK Group proposes the reintroduction of UK Trade Mark Registry's power to grant registrations subject to imposed disclaimers on non-distinctive elements of marks and comments that harmonisation of the law and practice on disclaimers is desired as it would extend positive effect of this policy across borders.

24) Please indicate which industry sector views provided by in-house counsels are included in your Group's answers to Part III.

Very few Groups have involved industry sector in-house counsels, namely, the French Group involved in-house counsels in the food processing sector, the Hungarian Group involved pharm industry, the Japanese Group involved the industries of automobile, electrical machinery, machinery, pharmaceutical, transportation and telecommunications and the Thai Group covers views from the industry of food & beverage, hotel & hospitality, consumer products as well as pharmaceutical & life sciences.

IV. Conclusions

From the Reports, the conclusion can be drawn that a large majority of the Groups (85%) agree that harmonisation is desirable regarding the issues described in this Study Question.

Majority views regarding the following can be drawn from the Reports and those can thus likely be covered in a resolution:

- It is agreed by almost all the Groups (95%) that neither of the "Anti-dissection Rule" and the "Rule of Dominant Feature" should be the only rule/principle when assessing similarity between composite trade marks.
- A slight majority (55%) of the Groups agree that the non-distinctive element of trade marks should not be disregarded completely when assessing similarity between the marks and another 40% Groups are of the opinion that such an element should not be disregarded completely in some exceptional cases.
- The majority (75%) of the Groups agree it should be possible for a non-distinctive element of a trade mark to be viewed as the dominant feature of the mark, either in

exceptional cases (55%) or in non-exceptional situation (20%).

- The majority (60%) of the Groups hold that the same factors should be considered in a trade mark registrability context and a trade mark infringement context when assessing trade mark similarity involving non-distinctive elements.
- A majority of the Groups is of the view that the following factors should be taken into account when assessing trade mark similarity involving non-distinctive elements in trade mark registrability context:
 - The structure of the marks, for instance how severable the distinctive and the non-distinctive parts are and the proportion in size between the distinctive part and the non-distinctive part (100%);
 - The perception of the consumer (as to the non-distinctive element) (90%);
 - The history and use status of the earlier mark (85%);
 - The sophistication of the relevant public (85%);
 - The practices and conventions as to the use of trade marks in the market for the relevant goods or service (85%);
 - The nature of the non-distinctive elements (80%);
 - The industry field of the concerned marks (75%);
 - The other marks of the earlier mark holder (60%)

In this question, the other factors as indicated below do not get the majority support:

- The relationship between the holders of the two marks (50%);
- The history and use status of the later mark (40%);
- The other marks of the later mark holder (40%);
- The background and history of the earlier mark holder (40%);
- The background and history of the later mark holder (35%)
- A majority of the Groups is of the view that the following factors should be taken into account when assessing trade mark similarity involving non-distinctive elements in trade mark infringement context:
 - The structure of the marks, for instance how severable the distinctive and the non-distinctive parts are and the proportion in size between the distinctive part and the non-distinctive part (95%);
 - The perception of the consumer (90%);
 - The history and use status of the registered/common law mark (85%);
 - The sophistication of the relevant public (85%);
 - The practices and conventions as to the use of trade marks in the market for the relevant goods or service (85%);
 - The industry field of the relevant marks (80%);
 - The other marks of the holder of the registered/common law mark (65%);
 - The nature of the non-distinctive elements (60%);
 - The history and use status of the suspected infringing mark (60%);
 - The background and history of the holder of the registered/common law mark (60%);

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- The background and history of the suspected infringer (60%);

In this question, the following two factors get only the slight majority support:

- The relationship between the holders of the two marks (55%);
- The other marks of the suspected infringer (55%).

No consensus was reached on whether the nature of the non-distinctive elements should affect its influence on the similarity judgement of the conflicting trade marks which contain the said non-distinctive elements.

No consensus was reached on whether the two marks should be viewed as similar or dissimilar in the six scenarios as stated in questions 21 and 22.