The Fairy Tale of the Average Consumer: Why We Should Not Rely on the Real Consumer When Assessing the Likelihood of Confusion

The present article considers whether the confusion analysis in trademark law is at risk of being used strategically as a self-servicing mechanism by the industry to obtain trademark rights to descriptive, cultural and non-traditional signs. In this context, two features of the trademark system are particularly worrisome. First, trademark owners can strengthen the distinctive character of their marks by investing in marketing and branding campaigns. Second, trademark owners can afford expensive surveys demonstrating the high distinctiveness of their marks and strengthening their position in an infringement case. A study of 189 Dutch cases reveals that in the likelihood-of-confusion assessment, the degree of a mark’s distinctiveness and corresponding empirical findings can have a deep impact. However, the study also shows that descriptive, cultural and non-traditional signs were not often disputed. In practice, the risk of misappropriating these signs might therefore be limited. In some cases, however, trademark owners did succeed in achieving a broad scope of protection regarding descriptive, cultural and non-traditional signs. Therefore, national courts should have more room to make normative corrections in favour of freedom-of-competition interests. This would allow judges to prevent trademark owners from achieving unjustified economic advantages flowing from these signs.

I. Introduction

A central question in trademark infringement cases is whether the defendant’s sign is identical or similar to the claimant’s trademark and therefore likely to confuse the average consumer as to the origin of the goods or services. If the judge answers in the affirmative, the trademark owner can prohibit the defendant from using the sign that has been found to be confusingly similar. Because of the crucial role of consumer perception and its deep impact on the infringement analysis, it is of utmost importance to be clear about how we assess a likelihood of confusion.

Should we assess consumer behaviour factually (empirical approach), or should we leave room for assumptions about how consumers ought to behave in the marketplace (normative approach)? In either approach, national courts have considerable freedom to substantiate their decisions with normative considerations and empirical findings. After all, according to the CJEU, the judge must assess the likelihood of confusion globally, taking into account all factors relevant to the circumstances of the case. This article addresses the potential risk of overreliance on empirical findings. Without normative corrections, EU trademark law may become a self-servicing mechanism for the industry. The infringement analysis may especially become imbalanced if judges were only interested in empirical studies seeking to demonstrate the existence of a likelihood of confusion or the reputation of the trademark.

Trademark owners often have the financial resources necessary to invest in expensive marketing campaigns to educate consumers to perceive a sign as a source identifier. The more a trademark owner invests in advertising presenting a sign as an identifier of commercial source, the broader will be the scope of protection.

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1 See para 16 of the Preamble of the TMD 2015 (Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks) [2015] OJ L336/1. See also para 11 of the Preamble of the EUTMR (Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (codification) [2017] OJ L154/1). In practice, the anti-confusion provision has been the most frequently used tool in infringement cases (art 10(2)(b) TMD 2015 and art 9(2)(b) EUTMR). See Paul GFA Geerts and Anne Marie E Verschaart (eds), Kort Begrip van het Intellectuele Eigendomsrecht (3rd edn, Wolters Kluwer 2018) 312.

2 Graeme B Dinwoodie and Dev S Gangjee, ‘The Image of the Consumer in European Trade Mark Law’ in Dorota Leczykiewicz and Stephen Weatherill (eds), The Images of the Consumer in EU Law (Hart Publishing 2018) 345. For example, the CJEU’s assumption that consumers are not in the habit of perceiving colours and shapes as trademarks is a normative correction of the factual circumstances. See for example Case C-218/01 Henkel ECLI:EU:C:2004:88, para 49; Case C-136/02 P Mag Instrument v BHIM ECLI:EU:C:2004:592, para 31; Case C-173/04 P Deutsche Sili-Werke v BHIM ECLI:EU:C:2006:20, para 31; Case C-104/01 Libertel ECLI:EU:C:2003:244; Case C-49/02 Heidelberger Bauchemie GmbH ECLI:EU:C:2004:384, para 39.

3 Case C-251/95 Puma v Sabel ECLI:EU:C:1997:528, para 22. For example, how a trademark is used (eg in a particular colour) plays a role in the global appreciation of the likelihood of confusion (Case C-252/12 Specsavers ECLI:EU:C:2013:497, paras 38, 41).

4 Recognition of a trademark on the market is first mentioned as a relevant infringement factor in para 16 of the Preamble of the TMD 2015. This may indicate the high value attached to the factor of distinctiveness. See also para 11 of the Preamble of the EUTMR.
will view a trademark more positively after repeated exposure. The more the trademark is seen as a symbol of a desirable lifestyle, the more willing consumers will be to pay extra for the brand image that the trademarked product evokes. The stronger a trademark, the easier it is to prove a likelihood of confusion.7 Research suggests that the success of a well-known mark is primarily related to its familiarity and not so much to the characteristics of the product itself. Besides, consumers are also inclined to interpret information in line with their expectations. If a consumer has positive feelings towards a particular trademark, she/he will also interpret following exposures to the trademark positively. Familiarity is therefore a strong predictor of consumer decisions.8 Hence, there is the prospect of an attractive return on investment. Furthermore, trademark owners can invest in expensive empirical studies to demonstrate a highly distinctive character and the existence of a likelihood of confusion.

5 The ‘mere exposure effect’ means that the mere repeated exposure of an individual to a stimulus object will influence his attitude towards it. Humans easily develop strong preferences for an object that has become familiar through repeated exposure (William R Kunst-Wilson and Robert B Zajonc, ‘Affective discrimination of stimuli that cannot be recognized’ (1980) 207 Science 557; Laura R Bradford, ‘Emotion, Dilution, and the Trademark Consumer’ (2008) 23 Berkeley Technology Law Journal 1227, 1267; Robert B Zajonc, ‘Atitudinal effects of mere exposure’ (1968) 9(2) Journal of Personality and Social Psychology 1, 23. See also Richard L Moreland and Scott R Beach, ‘Emotion effects in the classroom: The development of affinity among students’ (1992) 28 Exp Soc Psychol 255; Hans Hoeken, ‘Het ontwikkelen van overtuigende teksten. Wat onderzoek leert over de opzet van effectieve reclame en voorlichting’ (Uitgeverij C. van Keulen 1996) 39; Consumers attribute the positive feeling caused by the ease with which they recognize the product to the product’s features (Nathan Novemsky and others, ‘Preference fluency in choice’ (2007) 44 Journal of Marketing Research 347; Rolf Reber, Norbert Schwarz and Piotr Winkielman, ‘Processing Fluency and Aesthetic Pleasure: Is Beauty in the Perceiver’s Processing Experience?’ (2004) 8 Personality and Social Psychology Review 364; Hyunjin Song and Norbert Schwarz, ‘If It’s Difficult to Pronounce, It Must Be Risky: Fluency, Familiarity, and Risk Perception’ (2009) 202 Psychological Science 135; Bradford (n 5) 1234).

6 Studies suggest that consumers act like ‘cognitive miners’ which means they use the least amount of cognitive effort when choosing a product. Emotions play an important role in low-involvement processing situations where consumers have few cognitive resources for purchasing decisions because of lack of time, information or motivation. But also if consumers think more thoroughly, their decisions are largely driven by emotional impulses arise automatically such that the least costly way to decide which product to buy is using these emotional impulses as a heuristic. Emotion plays an important role in low-involvement processing situations where consumers have few cognitive resources for purchasing decisions because of lack of time, information or motivation. But also if consumers think more thoroughly, their decisions are largely driven by the unconscious part of the brain. See George Lakoff, The Political Mind. A Cognitive Scientist’s Guide to Your Brain and Its Politics (Viking (2005) 52 Games Econ Behav 336, 340; Antonio R Damasio, Somatic Marker Hypothesis: A Neural Theory of Economic Decision’ Rev 405, 438-439; Antoine Bechara and Antonio R Damasio, ‘The Goldsmith, ‘Law and Behavioral Biology’ (2005) 105 Columbia Law Review 1246-47, 1250-52, 1266-67.

7 The ‘mere exposure effect’ means that the mere repeated exposure of an individual to a stimulus object will influence his attitude towards it. Humans easily develop strong preferences for an object that has become familiar through repeated exposure (William R Kunst-Wilson and Robert B Zajonc, ‘Affective discrimination of stimuli that cannot be recognized’ (1980) 207 Science 557; Laura R Bradford, ‘Emotion, Dilution, and the Trademark Consumer’ (2008) 23 Berkeley Technology Law Journal 1227, 1267; Robert B Zajonc, ‘Atitudinal effects of mere exposure’ (1968) 9(2) Journal of Personality and Social Psychology 1, 23. See also Richard L Moreland and Scott R Beach, ‘Emotion effects in the classroom: The development of affinity among students’ (1992) 28 Exp Soc Psychol 255; Hans Hoeken, ‘Het ontwikkelen van overtuigende teksten. Wat onderzoek leert over de opzet van effectieve reclame en voorlichting’ (Uitgeverij C. van Keulen 1996) 39; Consumers attribute the positive feeling caused by the ease with which they recognize the product to the product’s features (Nathan Novemsky and others, ‘Preference fluency in choice’ (2007) 44 Journal of Marketing Research 347; Rolf Reber, Norbert Schwarz and Piotr Winkielman, ‘Processing Fluency and Aesthetic Pleasure: Is Beauty in the Perceiver’s Processing Experience?’ (2004) 8 Personality and Social Psychology Review 364; Hyunjin Song and Norbert Schwarz, ‘If It’s Difficult to Pronounce, It Must Be Risky: Fluency, Familiarity, and Risk Perception’ (2009) 202 Psychological Science 135; Bradford (n 5) 1234).

12 Lotte Anemaet, ‘Protection of Non-Traditional Trademarks. Critical Perspectives’ in Irene Calboli and Martin RF Senftleben (eds), ‘Innovation’ in Irene Calboli and Martin RF Senftleben (eds), ‘The Economics of Trademarks’ (1988) 78 Trademark Rep 523, 526.
In addition, distinctive marks encourage trademark owners to keep investing in product quality. If trademark owners lower their products’ quality, consumers are likely to be disappointed and may subsequently purchase another product. In particular with regard to unobservable product features, consumers are dependent on trademarks. Without trademark protection competitors would mainly invest in product features that consumers can observe and consumers would only pick by chance their preferred product. Furthermore, a transparent market offers the public’s preferred goods and services and does so in sufficient supply.

In order to ensure market transparency, we therefore seem to need strong trademark protection that prevents competitors from producing confusingly similar signs. Broad trademark protection encourages trademark proprietors to massively invest in marketing and branding campaigns resulting in lower search costs for consumers, and sufficient quality of available products. From this perspective, granting strong trademark protection seems entirely unproblematic.

However, to achieve undistorted competition, trademark protection must always be balanced against other core values, such as free expression that enhances consumer information and consumer choice, and free competition that prevents unnecessary market entry barriers. The recognition of a need to keep signs freely available offers competitors equal access to communication tools that can be used to inform consumers about product characteristics and compete for market shares.

The fundamental principle of the need to keep free is reflected in several provisions in the Trade Mark Directive and the EU Trade Mark Regulation and recognized by the CJEU in several cases. For example, signs that fall under the grounds for refusal are excluded from trademark protection. Furthermore, it must be shown that the use of the sign is made ‘in the course of trade’ and ‘in relation to goods or services’. These protection requirements ensure that trademark rights do not affect social and cultural forms of use. The likelihood-of-confusion provision is directly related to the preservation of fair and undistorted competition.

Trademark limitations also aim to strike a balance between trademark proprietor’s interests and free movement of goods and services within the internal market, and the competitor’s interests in using a sign for legitimate purposes in accordance with honest practices. For instance, third parties are allowed to use descriptive signs identical or similar to protected trademarks or their components, where the trademark proprietor’s legitimate interests are not adversely affected.

In principle, trademark law and free competition do not conflict with one another. Trademarks provide information about the commercial source of goods or services and enable consumers to repeat satisfactory purchases. Trademark owners are stimulated to keep the quality of their goods or services high and to invest in their goods and services. Competitors can choose a different sign if they want to freely offer their goods and services on the market.

However, in practice, competition can only be neutral if the appropriation of the sign as such does not grant trademark owners a competitive advantage from which third parties are excluded. This requirement is largely fulfilled with respect to (fantasy) word marks and other traditional forms of trademarks. These signs are often available in sufficient supply, such that third parties do not experience entrance barriers in competing with similar products and services.

By contrast, descriptive, cultural and non-traditional signs are not available in unlimited numbers. Exclusive trademark rights may affect the availability of these signs on the market and generate obstacles to competition.

A trader who has acquired exclusive rights in a word that describes a positive feature of a good obtains an unfair economic advantage because consumers easily understand what this trademark stands for. The costs for competitors, by contrast, are higher. They must inform...
consumers of the fact that their goods have this same feature while not enjoying the freedom of using the descriptive word as a mark in their brand name or advertising.

Appealing signs, such as colours, patterns and shapes contribute to the style and appearance of a specific product and therefore also give trademark proprietors a competitive advantage that goes beyond the sign as such.

Cultural signs may evoke positive associations which they have as a result of their evolution in the literary and artistic domain. Adopting such a sign, the trademark owner can benefit from these pre-existing connotations.

Trademark rights on these signs are likely to hinder innovation and encourage standardisation. Competitors might be afraid of risking a legal procedure and as a result avoid using particular signs on their products. In addition, brand owners have been obliged to use the same signs to keep the recognition level among consumers high. This could consequently lead to fewer investments in long-term product quality and the development of new products. As long as descriptive, cultural and non-traditional signs can acquire distinctiveness through use in trade, trademark owners will invest in these appealing signs which give them a competitive advantage.

In light of this, it is worrisome to see trademark owners strategically using the current trademark system to achieve the desired degree of protection. This has been particularly true since the Adidas/Marca case, in which the CJEU explicitly refused to consider the need to keep signs freely available for competitors on the market in the context of the confusion analysis. As a result, national courts are not allowed to make normative corrections in favour of freedom-of-competition interests in the likelihood-of-confusion assessment. If trademark owners succeed in making descriptive, cultural and non-traditional signs a source identifier, they achieve an overbroad competitive advantage over third parties. We must therefore be cautious when giving weight to empirical findings. Trademark owners can strengthen the distinctive character of their marks by investing in marketing and branding campaigns. If the infringement analysis automatically rewards these investments by granting broader protection, we are quite close to a self-servicing mechanism that allows trademark owners to shape consumer perception in a way that makes it possible to claim trademark rights to descriptive, cultural and non-traditional signs. Moreover, trademark owners can also afford expensive surveys demonstrating the high distinctiveness of their marks. In this way, they can strengthen their position during an infringement case. Again, this can create a self-servicing mechanism within trademark law.

III. Previous studies

Previous studies have shown that the most important factors were similarity of signs and goods or services. Consumer surveys were not used on a regular basis so the risk of biased decisions favouring trademark owners’ investments might be limited. Nevertheless, it cannot be excluded that trademark owners’ investments did influence the likelihood-of-confusion assessment. The distinctiveness factor might have played an indirect role in the assessment of similarity of signs.

For example, in an empirical study conducted in the United States, Barton Beebe analysed 331 cases of federal district courts opinions during a five-year period from 2000 to 2004, using a multifactor test for the likelihood of confusion. Beebe found that a number of factors were decisive, while the rest was redundant. This study revealed that similarity of marks was by far the most influential factor. Two other factors were decisive: the defendant’s intent factor, but only when it favoured likelihood of confusion, and the proximity of the parties’ good factor, but only when it disfavoured likelihood of confusion. By contrast, survey evidence played a minor role in the infringement analysis.
role: it was only submitted in 20% of court decisions. Furthermore, the inherent strength factor, i.e. the distinction between fanciful, arbitrary, suggestive, descriptive and generic marks was not important in the courts’ opinion. On this point, legal doctrine diverged remarkably from the investigated district court cases.

Nevertheless, where courts did address the strength factor, in particular inherent strength, there was a surprisingly strong correlation between inherent strength and success in the multifactor test. In addition, in order to win the multifactor test, it seems that the plaintiff must not lose the strength factor. In most cases where the plaintiff lost this factor, it also lost the overall test. This also seems to apply in reverse: in 90% of the 102 judgments that found a likelihood of confusion, the strength factor favoured this result.

In an empirical analysis of likelihood-of-confusion factors in European trademark law, Ilanah Fhima and Catrina Denvir analysed 136 General Court decisions during a three-year period from 2009 to 2012. Fhima and Denvir found that the most important factors were similarity of marks and goods: overall confusion was never found unless both the parties’ marks and their goods were similar.

On the contrary, the distinctiveness factor was generally ignored, or deemed irrelevant. Inherent distinctiveness was not considered in 68% of the cases, and acquired distinctiveness was not addressed in 82% of the cases. Inherent distinctiveness only favoured confusion in 7% of the cases where likelihood of confusion was found, as compared to 6% regarding acquired distinctiveness. Nevertheless, the authors suggested that the distinctiveness factor may have had a limited impact because it also played a key role in the similarity of mark analysis via the dominant elements of both parties’ signs. In the authors’ opinion, it may seem odd to displace the factors of similarity of signs and goods or services with an additional factor that is not fully understood.

In an empirical study conducted in Australia, Huang, Weatherall and Webster found that survey evidence was rarely used in Australian case law, namely in 10.4% of cases from 1990 to 2010. Their analysis pointed out that surveys had only limited impact on the results of the cases surveyed. Graeme Austin also indicated that survey evidence rarely carried weight in trademark infringement cases in the United States. A Dutch survey among judges of preliminary relief further showed that in practice, the judges’ own perception was the most important basis for the infringement decision, while expert opinions and public studies did not rank very high. Actually, these judges were more likely to have a negative attitude towards empirical evidence because they believed this evidence might be manipulated and contained leading or poorly formulated questions.

In other words, the risk of overreliance on empirical findings might be limited. In previous studies, market analyses were rarely used and seldom decisive to the outcome of the decision. Furthermore, the distinctiveness factor seems to have played a modest role. In these studies, similarity of marks, and goods or services, were the core factors in the likelihood-of-confusion assessment. Nevertheless, the finding that the factor of distinctiveness was not considered in the majority of cases need not imply that it did not impact the outcome of the case. It may be that the distinctiveness factor was not mentioned because the high degree of distinctiveness was self-evident. Furthermore, the distinctiveness factor might have played an indirect role in the assessment of similarity of signs. The global appreciation of the visual, auditory or conceptual similarity of the marks in question must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.

The more distinctive the trademark, the more similar the marks will be, in particular if the defendant uses the same highly distinctive elements. Therefore, we cannot rule out that trademark owners’ high investments in marketing and branding campaigns may yet have a major impact on likelihood-of-confusion cases.

IV. Methodology

To uncover the impact of the degree of a mark’s distinctiveness and corresponding empirical findings on the likelihood-of-confusion assessment, I performed a data analysis of Dutch cases. In comparison to other EU countries, Dutch cases are of particular interest because of their regional character. The trademark legislation applied by Dutch courts is drawn from a single Treaty – the Benelux Convention on Intellectual Property (Trademarks and Designs) – which has direct effect in three EU Member States.

Furthermore, Benelux law has traditionally been an important element in harmonising EU trademark law. The impact of the Benelux tradition can still be seen in the anti-confusion provision in the EU Trade Mark Directive, which states that ‘the likelihood of confusion includes the likelihood of association between the sign and the trade mark’.

This phrase was the result of a political compromise.

Traditionally, the Benelux countries adopted a requirement of association when assessing likelihood-of-confusion cases, which meant that likelihood of confusion was also assumed when consumers merely associated the use of a third party’s sign with a trademark. The final phrase in the EU Trade Mark Directive was the result of the efforts of the Benelux countries to include their association requirement in the anti-confusion provision.

Nevertheless, the CJEU ruled in the Puma/Sabel case that
risk of association was a relevant factor, but not sufficient to conclude likelihood of confusion.\(^45\)

Considering this interaction between harmonised Benelux and EU law, it can be deemed an important first step to look at court decisions following from harmonised Benelux law, as reflected in Dutch case law. Providing this groundwork, the current analysis can encourage further studies relating to the situation in other EU Member States.

A total of 189 cases were used in this study. The infringement cases were found in the Dutch databases ‘Kluwer Navigator’, ‘Legal Intelligence’\(^44\) and ‘IE-Forum.nl’. The data for the study comprise cases decided by district courts and courts of appeal over the period from 2006 to 2018. This period was chosen because of the availability of electronic sources. The cases were published in Bijblad Industriële Eigendom (BIE), Berichten Industriële Eigendom (BerichtenIE), domjur.nl, Tijdschrift Intellectuele Eigendom en Reclamerecht (IER), NJ Feitenrechtspraak (NJF), Rechtspraak.nl, Jurisprudentie Geneesmiddelenrecht (JGR), Jurisprudentie Burgerlijk Procesrecht (JBP), Nederlandse Jurisprudentie (NJ), Officiële Jurisprudentie (LJN/ECLI), Rechtspraak van de Week (RvdW), and IEF.

For an initial selection, generic search terms were entered, such as ‘verwaringsgevaar’ (English: ‘likelihood of confusion’), ‘inzwareuk’ (English: ‘infringement’), ‘verwarring’ (English: ‘confusion’) and so forth. However, this did not lead to a practicable result. Subsequently, a more refined search method was chosen. The search terms used were ‘artikel 2.20 lid 1 sub b BVIE’\(^45\), ‘artikel 9 lid 1 sub b GMVo’\(^46\), ‘artikel 9 lid 2 sub b UMVo’\(^47\) and variants (hereafter ‘sub b’). It can be presumed that courts mention these search terms when assessing the likelihood of confusion, which makes it highly likely that these search terms can be found in similarity cases.

After entering search terms, double cases were filtered out, as were infringement cases that did not contain likelihood-of-confusion questions. For example, the judge did not discuss whether a likelihood of confusion existed. If preliminary questions were referred to the CJEU, the case was also not included. Moreover, Supreme Court cases were not included because the Dutch Supreme Court (Hoge Raad) is not a court that establishes new facts. Finally, bibliographic data were noted, such as the date and citation of the judgement, and the court.

The claimant won when the infringement claim based on sub b was successful. A loss was when the infringement claim had no success. If the trademark owner lost the case because of a limitation of trademark rights, such as freedom of comparative advertising, this was also termed a loss. A win was also coded if the trademark owner won some part of the issues. For example, this scenario would arise where two aspects were claimed to be infringing under sub b, but only one aspect was found to be infringing. Furthermore, when considering court of appeal cases, I looked at the party who was the trademark owner. This was not per definition the same person as the claimant. It was only considered whether or not the anti-confusion claim was successful. The outcome did not say anything about the rest of the claim.

The factors analysed in the present study were: comparison of signs, comparison of goods and services, relevant public and degree of attention, the distinctiveness of the earlier mark, and consumer studies.

Signs were comparatively categorised as ‘identical’, ‘almost identical’, ‘similar’, ‘insufficiently similar’, and ‘not mentioned’. ‘Identical’ was used when the signs were considered to be identical. ‘Almost identical’ was used when the court found a very strong similarity between signs. ‘Similar’ was used when the signs were found to be similar. ‘Insufficiently similar’ was used when the signs were dissimilar or when the degree of similarity was low. This category was also selected when the judge found the sign to be insufficiently similar to cause confusion. ‘Not mentioned’ was used when the degree of similarity was unclear. When several signs were claimed to be infringing, and only one sign was considered sufficiently similar, this degree of similarity was coded. When several signs claimed to be infringing, the highest degree of similarity was coded.

The type of mark was also assessed. The analysis only includes trademarks that were assessed under sub b. If the defendant infringed on both the word mark and the figurative mark, but only the word mark was considered in the assessment, only the word mark was coded.

In addition, the guideline that the global appreciation of the visual, aural or conceptual similarity of the marks in question must be based on the overall impression given by the marks, bearing in mind in particular their distinctive and dominant components,\(^48\) was researched. A ‘yes’ was coded when the court referred to this ruling in the likelihood-of-confusion assessment. A ‘yes’ was also coded when a reference was made to the distinctive or dominant elements of the signs, or when a similar expression was used. I also investigated the guideline that the average consumer only rarely has the opportunity to make a direct comparison between the different marks and must therefore place his trust in the imperfect image...
of them that he has in his mind. Furthermore, the guideline of the Dutch Supreme Court stating that similarities between signs are more important than differences was explored.

With regard to the factor of relationship of the goods and services involved, this was categorised as ‘identical’, ‘almost identical’, ‘similar’ and ‘slightly similar’, ‘dissimilar’ and ‘not mentioned’. An ‘identical’ was selected when the goods and services were considered as identical. An ‘almost identical’ was selected when the goods and services were regarded as ‘identical or similar’ or when the goods and services were defined as very similar. A ‘similar’ was coded when the goods and services were found to be similar. A ‘slightly similar’ was coded when the goods and services were less similar. A ‘dissimilar’ was coded when the goods and services were argued to be dissimilar. An ‘unspecified’ was selected when the judge did not explicitly reason whether there was sufficient similarity of goods and services.

The ‘relevant public and degree of attention’ factor was also explored. When a reference was made to the average consumer a ‘yes’ was selected. Furthermore, it was explored whether the court used the measurement invented by the CJEU53 of the average consumer who is reasonably well-informed and reasonably observant and circumspect, or another consumer, for example an expert who is highly attentive or a consumer who is less intelligent. When the heuristic of the CJEU concerning the average consumer or a similar qualification was found in the reasoning, this was coded as a ‘yes’.

Furthermore, the degree of distinctiveness was analysed. The degree of distinctiveness was categorised as ‘highly distinctive’, ‘distinctive’, ‘slightly distinctive’, ‘not distinctive’, and ‘unspecified’. The category ‘highly distinctive’ referred to signs with a highly distinctive character or signs that were well-known. A trademark was coded as ‘distinctive’ when there was a normal or sufficient degree of distinctiveness. A ‘slightly distinctive’ was coded when the judge explicitly considered that the scope of protection was restricted or, for example, that the degree of distinctiveness was not so great. An ‘unspecified’ was coded when the judge did not state whether or not the sign was distinctive. When several trademarks were invoiced in respect of sub b, the highest degree of distinctiveness was coded. The CJEU guideline stating that the more distinctive the earlier mark, the greater the likelihood of confusion was also explored. A ‘yes’ was coded when the court referred to this ruling in the likelihood-of-confusion assessment.

When the judge referred to consumer studies in the assessment of likelihood of confusion, a ‘yes’ was coded. When consumer studies played a role somewhere else, for example to support the assessment of trademarks with a reputation or when there were no consumer studies, a ‘no’ was selected. These consumer surveys were used to assess likelihood-of-confusion questions. Consumer surveys can prove that a trademark is well known and therefore has a highly distinctive character. A high score regarding the factor ‘distinctiveness of the trademark’ makes an allocation for the infringement claim more likely. These consumer studies were possibly also used to assess whether an infringement was made under sub c, but this was not coded. A reference to consumer studies was only coded when this reference was found in the assessment of sub b.

V. Results

In the sample studied, trademark owners more often won (65%) than lost (35%) anti-confusion cases falling under sub b of the infringement provision at the EU and Dutch level. Moreover, trademark owners were more successful when they filed cases before specialised courts in The Hague (74%) than elsewhere in the Netherlands (59%) (see Table 1).

As expected from previous studies, similarity of signs was indeed the most important factor. The degree of similarity of signs directly influenced the decision.

In most cases, the signs were sufficiently similar (127 cases: 67%). In 35% of the cases, the degree of similarity was even high. In the majority of cases a word mark was assessed in the sample used for the present study (see Table 2). Figurative marks were also frequently assessed. But again, in the majority of cases this concerned a figurative mark containing word elements. Purely figurative marks and shape marks were seldom assessed (see Table 3).

Trademark owners had a stronger claim not only when the defendant’s sign was partly descriptive, but also when the trademark was highly distinctive. The same applied

49 See Case C-342/97 Lloyd v Loints ECLI:EU:C:1999:323, para 26.
50 Dutch Supreme Court, 16 April 1999, IER 1999, 161 – Bogott-Batcol/Doncal.
51 Case C-342/97 Lloyd v Loints ECLI:EU:C:1999:323, para 26.
52 ibid para 28; Case C-251/95 Puma v Sabé ECLI:EU:C:1997:528, paras 24-25.
53 The confidence interval of winning 123 out of 189 cases is 58.5% < p > 70.4%. With 95% reliability, it can be assumed that trademark owners won slightly more cases than they lose. This means we can assume with 95% reliability that the odds of trademark owners winning a case were between 58.5% and 70.4%. In this sample, a percentage of 65% was found (123 cases). This percentage could thus also have been anything between 58.5% (111 cases) and 70.4% (133 cases), eg if a bigger sample had been chosen. See also Phima and Denvir (n 35) 327. In 60% of cases the General Court found a likelihood of confusion and in 40% of cases no likelihood of confusion was found. See also Lotte Anemaet, ‘Beslissen in sub b zaken: hoe beoordelen rechters of een consument in verwarring is of niet?’ (2019) 3 Berichten Industrieel Eigendomsrecht 122.
54 The confidence interval of winning 59 out of 80 cases is 63.2% < p < 80.6% (with 95% reliability).
55 The confidence interval of winning 64 out of 109 cases is 49.5% < p < 65.9% (with 95% reliability).
56 The confidence interval of selecting 127 cases with (sufficient) similar signs from 189 cases is 60.6% < p < 72.4% (with 95% reliability).
57 The confidence interval of selecting 67 cases with identical or highly similar signs from 189 cases is 29.2% < p < 41.1% (with 95% reliability).
58 The confidence interval of selecting 90 word marks from 189 cases is 41% < p < 53.4% (with 95% reliability).
59 The confidence interval of selecting 56 figurative marks from 189 cases is 23.7% < p < 35.1% (with 95% reliability).
60 The confidence interval of selecting 49 figurative marks containing word elements from 189 cases is 20.3% < p < 31.2% (with 95% reliability).
61 The confidence interval of selecting seven purely figurative marks from 189 cases is 1.4% < p < 6.2% (with 95% reliability).
62 The confidence interval of selecting six shape marks from 189 cases is 1.1% < p < 3.5% (with 95% reliability).
63 It must be noted that the number of cases where several trademarks were claimed was in fact slightly higher. The analysis only included trademarks that were assessed under sub b.
64 Cases where the distinctiveness of the trademark directly influenced the classification of the degree of similarity of signs, in a way that similarity was found: District Court of The Hague, 7 May 2008, ECLI:NL:RBSGR:2008:BD1049 – Microsoft/Unicarsos; Court of Appeal of The Hague, 9 December 2008.
in reverse: if the trademark consisted of descriptive elements, the judge was more likely to conclude that the signs were not confusingly similar, particularly if the defendant had also added their own distinctive elements to the sign.65

Nevertheless, trademark owners did not always lose when the trademark consisted of descriptive elements. In some cases, the judge argued that the signs were similar because both signs referred to the same conceptual meaning.

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In 82 cases the ruling was explicitly mentioned by the court. In the other cases a reference was made to the distinctive or dominant elements, or a similar expression was used.

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The confidence interval of selecting 60 win cases from 74 cases that concerned a (highly) distinctive trademark and a reference to the CJEU ruling was found. The court often referred to the CJEU ruling stating that the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components (124 cases: 66%).68

In these cases, the claimant frequently won when the trademark was distinctive or highly distinctive.68 However, claimants also won cases when the trademark was slightly distinctive, i.e. in cases where the application of the rule ought rather to have led to a loss because the trademark did not actually consist of highly distinctive elements.69

| Table 1: Number of cases where infringement under sub b was ruled, categorised by court, 2006-2018 |
|---------------------------------|----------------|----------------|----------------|
| Court                          | The Hague      | Other          | Total          |
| Number of cases                | 59             | 64             | 123            |
| %                              | 73.8%          | 58.7%          | 65.1%          |
| Win                            | 21             | 45             | 66             |
| Loss                           | 26.3%          | 41.3%          | 34.9%          |
| Number of cases                | 80             | 109            | 189            |
| %                              | 100%           | 100%           | 100%           |

| Table 2: Number of cases where sufficient similarity of signs was found under sub b, 2006-2018 |
|---------------------------------|----------------|----------------|----------------|
| Total                           | 10             | 57             | 60             |
| Number of cases                 | 123            | 189            |                |
| %                               | 65.1%          | 100%           |                |
| Identical                       |                |                |                |
| Almost identical                |                |                |                |
| Similar                         |                |                |                |
| Insufficiently similar          |                |                |                |
| Not mentioned                   |                |                |                |
| Number of cases                 | 10             | 57             | 60             |
| %                               | 5.3%           | 30.2%          | 31.7%          |
| Win                             |                |                |                |
| Loss                            |                |                |                |
| Number of cases                 | 53             | 9              | 60             |
| %                               | 28.0%          | 4.8%           | 31.7%          |
| Identical                       |                |                |                |
| Almost identical                |                |                |                |
| Similar                         |                |                |                |
| Insufficiently similar          |                |                |                |
| Not mentioned                   |                |                |                |
| Number of cases                 | 9              |                | 9              |
| %                               | 4.8%           |                | 4.8%           |
| Win                             |                |                |                |
| Loss                            |                |                |                |
| Number of cases                 |                |                | 189            |
| %                               |                |                | 100%           |

| Table 3: Number of sub b cases, categorised by type of trademark, 2006-2018 |
|---------------------------------|----------------|----------------|----------------|
| Word mark                      | Figurative mark (containing word elements) | Figurative mark (purely) | Shape mark | Word mark and figurative mark | Other |
| Total                           | 90             | 7              | 31            | 6              | 189              |
| Number of cases                 | 49             | 3.7%           | 16.4%         | 3.2%           | 100%             |
| %                               | 47.6%          |                |                |                |                  |
| Identical                       |                |                |                |                |                  |
| Almost identical                |                |                |                |                |                  |
| Similar                         |                |                |                |                |                  |
| Insufficiently similar          |                |                |                |                |                  |
| Not mentioned                   |                |                |                |                |                  |
| Number of cases                 | 49             | 3.7%           | 16.4%         | 3.2%           | 100%             |
| %                               | 25.9%          |                |                |                |                  |
| Win                             |                |                |                |                |                  |
| Loss                            |                |                |                |                |                  |
| Number of cases                 | 7              |                | 3.2%          |                |                  |
| %                               | 3.7%           |                |                |                |                  |
| Identical                       |                |                |                |                |                  |
| Almost identical                |                |                |                |                |                  |
| Similar                         |                |                |                |                |                  |
| Insufficiently similar          |                |                |                |                |                  |
| Not mentioned                   |                |                |                |                |                  |
| Number of cases                 | 6              |                | 3.2%          |                |                  |
| %                               | 3.2%           |                |                |                |                  |
| Win                             |                |                |                |                |                  |
| Loss                            |                |                |                |                |                  |
| Number of cases                 | 31             |                | 100%          |                |                  |
| %                               |                |                | 100%          |                |                  |

65 A result that can be expected from CJEU case law: Case C-251/95 Fama v Safel ECLI:EU:C:1997:528, para 23.

66 District Court of The Hague, 17 April 2007, ECLI:NL:RBARN:2007:BI3896 – Campina/California; District Court of Rotterdam, 7 May 2009, ECLI:NL:RBROT:2009:BI3272 – Raad/ Londalde; District Court of The Hague, 21 August 2009, ECLI:NL:RBSGR:2009:BI7097 – Burberry/Sachia; District Court of Arnhem, 28 August 2009, ECLI:NL:RBARN:2009:BJ6313 – De Zavelboer/Lid; District Court of The Hague, 14 July 2010, ECLI:NL:RBSGR:2010:BN4672 – FOI; District Court of Leeuwarden, 28 September 2011, ECLI:NL:RBLLEE:2011:BV7389 – ‘t Stokertje; Court of Appeal of The Hague, 5 June 2012, ECLI:NL:GHSGR:2012:BX9797 – Ho/MG-Star; District Court of The Hague, 18 April 2013, ECLI:NL:RBDHA:2013:RZ7644 – Louboutin Van Haren; Court of Appeal of The Hague, 13 August 2013, ECLI:NL:GHDHA:2013:2967 - Talens; District Court of The Hague, 25 April 2014, ECLI:NL:RBDHA:2014:7104 – Daonnm/Mazguard; District Court of Rotterdam, 25 March 2015, ECLI:NL:RBDHA:2015:2448 – FRP/ Spirits; Court of Appeal of The Hague, 22 March 2016, ECLI:NL:GHDHA:2016:669 – Ho/MG-Star; District Court of The Hague, 1 June 2016, ECLI:NL:RBDHA:2016:5999 – Leatherman; District Court of Zeeland-West-Brabant, 20 July 2017, ECLI:NL:RZWB:2017:4651 – Poppodium 013/Podium 0113.

67 The confidence interval of selecting 60 win cases from 74 cases that concerned a (highly) distinctive trademark and a reference to the CJEU ruling was found. The court often referred to the CJEU ruling stating that the overall impression given by the visual, auditory or conceptual similarity of the marks in question must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components (124 cases: 66%).68

68 In 82 cases the ruling was explicitly mentioned by the court. In the other cases a reference was made to the distinctive or dominant elements, or a similar expression was used.

69 In 13 cases (out of 29 cases), the claimant of a slightly distinctive trademark won, even though a reference to this rule was found. The
Another guideline of the CJEU about the average consumer was that he only rarely had the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he holds in his mind.\(^{70}\) In some cases where this rule was found,\(^{71}\) the claimant won.\(^{72}\)

In addition, judges sometimes applied the Bigott-Batco/Doucas rule of the Dutch Supreme Court (43 cases: 23%).\(^{73}\) According to this rule, the similarities between the trademark and the sign are more important than the differences.\(^{74}\) When courts referred to this rule, it seems to have strengthened a trademark owner’s claim: in almost all cases in which this rule was found, the trademark owner won.\(^{75}\)

Similarity of goods and services was also a relevant factor. In the majority of cases, the goods and services were sufficiently similar (137 cases: 72%),\(^{76}\) while being dissimilar in only a few cases (10 cases: 5%)\(^{77}\) (see Table 4).\(^{78}\) The claimant did not go to court with an anti-confusion claim if the goods and services were clearly dissimilar. In many cases, similarity of the goods and services was even high or identical. Nevertheless, trademark owners did not necessarily win more often when the goods and services were highly similar.\(^{79}\)

In most cases, the judge referred to the average consumer with a standard degree of attention. In 87 cases (46%) (see Table 5),\(^{80}\) the judge referred explicitly to the average consumer, while in 29% of the cases, the judge mentioned that the average consumer was reasonably well informed, observant and circumspect.\(^{81}\) Only in some cases did the judge explicitly refer to a consumer with a higher or lower degree of attention.\(^{82}\) Judges might decide:

- **Confidence interval of selecting 13 win cases with distinctly similar trademarks from 28 cases is 25.9% <p 95% reliability).**
- **The confidence interval of selecting 20 win cases with a reference to the Namibian Court rule from 25 cases is 62.5% (with 95% reliability).**
- **The confidence interval of selecting 20 cases with a reference to the CJEU rule from 29 cases is 48.6% <p 95% reliability).**
- **The confidence interval of selecting 43 cases with a reference to the Bigott-Batco/Doucas rule from 189 cases is 17.4% <p 27.8% (with 95% reliability).**
- **The confidence interval of selecting 37 cases with a reference to the Bigott-Batco/Doucas rule from 43 cases is 71.6% <p 92.2% (with 95% reliability).**
- **The court did not consider the degree of similarity of goods and services in 42 cases. The judge may have found it self-evident and thus not relevant in assessing the degree of similarity of goods. Another reason could be that the court had already decided that there was no likelihood of confusion based on other factors (the confidence interval of selecting 42 cases without a classification of goods and services from 189 cases is 16.9% <p 27.3%, with 95% reliability).**
- **The confidence interval of selecting ten cases with dissimilar goods and services from 189 cases is 2.6% <p 8.2% (with 95% reliability).**
- **The confidence interval of selecting 77 win cases with identical or highly similar goods and services from 96 cases is 71.2% <p 85.8% (with 95% reliability).**
- **The confidence interval of selecting 35 win cases with (slightly) similar goods and services from 41 cases is 70.4% <p 91.8% (with 95% reliability).**
- **The confidence interval of selecting 87 cases with a reference to the average consumer from 189 cases is 39.4% <p 51.8% (with 95% reliability).**

The confidence interval of selecting 54 cases with a reference to the average consumer who is reasonably well informed, observant and circumspect from 189 cases is 22.7% <p 34% (with 95% reliability).\(^{83}\) This is in line with CJEU case law: Case C-342/97 Lloyd v Loonts ECLI:EU:C:1999:323, para 26. The confidence interval of selecting 27 cases with a reference to a consumer with a higher degree of attention from 189 cases is 9.9% <p 18.6% (with 95% reliability).\(^{84}\)

According to this rule, the similarities between the trademark and the sign are more important than the differences. Thus, when courts referred to this rule, it seems to have strengthened a trademark owner’s claim: in almost all cases in which this rule was found, the trademark owner won.\(^{75}\)

Moreover, judges frequently concluded that there was a likelihood of confusion by emphasising the highly distinctive character, for instance in their final conclusion (“Given the high degree of distinctiveness, it can be concluded that consumers are likely to be confused”). When
Table 4: Number of cases where infringement under sub b was ruled, categorised by degree of similarity of goods and services, 2006-2018

| Degree of similarity | Number of cases | Win | Loss | Number of cases |
|----------------------|-----------------|-----|------|----------------|
| Identical            | 52              | 80.0% | 13 | 65 |
| Almost identical     | 25              | 80.6% | 6  | 31 |
| Similar              | 33              | 86.8% | 5  | 38 |
| Slightly similar     | 2               | 66.7% | 1  | 3  |
| Dissimilar           | 0               | 0.0%  | 10 | 10 |
| Not mentioned        | 11              | 26.2% | 31 | 42 |
| Total                | 123             | 63.1% | 66 | 189 |

Table 5: Number of cases that mention the average consumer under sub b, 2006-2018

| The average consumer is mentioned | The average consumer is not mentioned | Number of cases |
|----------------------------------|---------------------------------------|----------------|
| Total                            | 87                                    | 46.0% | 102 | 54.0% | 189 | 100% |

judges did so, they actually followed the CJEU rule without explicitly mentioning it. The number of cases where empirical evidence was used was 24, i.e. 13% of the cases (see Table 7). In most cases the claimant presented a consumer study to the court. The consumer studies were related to the market strength of the trademark as well as to likelihood-of-confusion questions. In this sample, trademark owners more often won cases when they presented consumer studies to the court.

VI. Analysis

1. Risk of overbroad grants protection

As the results show, some patterns underpinning the studied cases indeed confirm that judges possibly favour trademark owners' investments in anti-confusion cases. In the sample studied, trademark owners more often won than lost anti-confusion cases falling under sub b of the infringement provision at EU and Dutch level. Moreover, not all cases ended up in court because the overwhelming majority were settled amicably.

95 Case C-251/95 Puma v Sabé ECLI:EU:C:1997:528, paras 24-25; Case C-342/97 Lloyd v Lloyts ECLI:EU:C:1999:323, para 28.
96 In at least 57 cases the trademark was highly distinctive. In 39 cases this rule was not found. In 33 win cases the notoriety of the trademark may have strengthened the claim. In six cases the trademark owner lost even though the trademark was well known. The confidence interval of selecting 33 win cases with highly distinctive trademarks from 39 cases is 69%<p<91.3% (with 95% reliability).
97 The confidence interval of selecting 24 cases with a reference to consumer surveys from 189 cases is 8.5%<p<16.8% (with 95% reliability). See District Court of Groningen, 14 February 2007, ECLI:NL:RGRO:2007:AZ8277 – DHA/Van der Laan; Court of Appeal of The Hague, 23 August 2008, ECLI:NL:GHSGR:2007:BC0670 – Bacardi/Food Brokers; District Court of Arnhem, 28 November 2007, ECLI:NL:RBARN:2007:BC0196 – Pointer/Point Bike; District Court of Amsterdam, 7 May 2009, ECLI:NL:RBAMS:2009:BS273 – TROS/RT; District Court of The Hague, 15 July 2009, 294029 / HA ZA 07-2704 – Red Bull/Osborne; District Court of The Hague, 21 August 2009, ECLI:NL:RBGR:2009:BJ7097 – Barbury/Sacha; District Court of Arnhem, 28 August 2009, ECLI:NL:RBARN:2009:BJ6313 – De Zanselbroekee/Ladd; Court of Appeal of The Hague, 26 January 2010, ECLI:NL:GHSGR:2010:BL1936 – IKEA/Serboucom; District Court of The Hague, 9 August 2011, 398829 / KG ZA 11-848 – G-Star/C&A; District Court of The Hague, 7 September 2011, HA ZA 09-889 – TUC/Apéro; Court of Appeal of The Hague, 20 September 2011, ECLI:NL:GHSGR:2011:BS8933 – Red Bull/Osborne; Court of Appeal of The Hague, 5 June 2012, ECLI:NL:GHSGR:2012:BX0979 – H&M/Star; District Court of Amsterdam, 12 June 2013, ECLI:NL:RBAMS:2013:6341 – Chedroe/Clamorosa; District Court of Midden-Nederland, 12 March 2014, ECLI:NL:RBMRN:2014:1369 – Armaturen; District Court of The Hague, 2 April 2014, ECLI:NL:RBH:2014:5261 – Stichting Papierlip/NGRV; Court of Appeal of Arnhem-Leeuwarden, 1 December 2014, 200.135.172/02 – H&M/Adidas; Court of Appeal of The Hague, 22 March 2016, ECLI:NL:GHFH:2016:669 – H&M/Star; District Court of The Hague, 20 July 2016, ECLI:NL:RBH:2016:8293 – H&M/TOS.
98 However, it is difficult to draw conclusions because the confidence interval of selecting 14 win cases with a reference to consumer surveys from 19 cases is 47.1%<p<85.3% (with 95% reliability).
99 Huang, Weatherall and Webber (n 37) 192; William M Landes, ‘An Empirical Analysis of Intellectual Property Litigation: Some Preliminary Results’ (2004) 41 Houston Law Review 749. See for a similar result in patent litigation: Fiona Rotstein and Kimberlee Weatherall, ‘Filing and
practice, wealthier litigants had more resources for sustaining a dispute,\textsuperscript{100} so that the odds of winning might have been even higher had the settled disputes also been included.

Furthermore, trademark owners won more cases when they invested in a particular sign. In a third of the cases, the trademark was considered to be highly distinctive, a factor that helped the trademark owner win significantly more often. Conversely, trademark owners lost (slightly) more often when the trademark was averagely or slightly distinctive. By comparison, trademark owners did not necessarily win more often when the goods and services were highly similar.\textsuperscript{102}

CJEU case law also illustrates the impact of the trademark’s market strength on the confusion analysis. In some cases, courts explicitly referred to and applied the rule that consumers are more easily confused when confronted with a highly distinctive trademark.\textsuperscript{103} If the trademark was indeed highly distinctive, this strengthened the trademark owner’s position.

Furthermore, not only did a high degree of distinctiveness play a role as a separate factor in the global assessment, it also impacted the assessment of similarity between signs. The CJEU namely prescribed that the global appreciation of the visual, auditory or conceptual similarity of the marks in question must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.\textsuperscript{103} Because of the notoriety of the trademark, the trademark naturally consists of distinctive and dominant elements. When judges referred to this rule, they often labelled signs as confusingly similar when the trademark was (highly) distinctive.

If judges also applied the Bigott-Batco/Doucal rule of the Dutch Supreme Court,\textsuperscript{104} stating that the similarities between the trademark and the sign were more important than the differences, this further strengthened trademark’s infringement claim. In almost all cases in which this rule was found, the trademark owner won.

In addition, in the majority of cases judges referred to the average consumer with a normal level of attention.\textsuperscript{105} It may have been easier to conclude that such an average consumer was more likely to be confused when seeing signs similar to a highly distinctive trademark than a more experienced consumer with a higher degree of attention. Experts who are highly attentive are likely to notice even slight differences if the stakes are high.

Furthermore, survey evidence also strengthened the trademark claim. Trademark owners more often won

\begin{table}[h]
\centering
\small
\begin{tabular}{|l|c|c|c|}
\hline
Degree of distinctiveness & Highly distinctive & Number of cases & 50 & 7 & 57 \\
& & & 87.7\% & 12.3\% & 100\% \\
Distinctive & Number of cases & 35 & 15 & 50 \\
& & & 70.0\% & 30.0\% & 100\% \\
Slightly distinctive & Number of cases & 18 & 23 & 41 \\
& & & 43.9\% & 56.1\% & 100\% \\
Not distinctive & Number of cases & 0 & 3 & 3 \\
& & & 0.0\% & 100.0\% & 100\% \\
Unspecified & Number of cases & 20 & 18 & 38 \\
& & & 52.6\% & 47.4\% & 100\% \\
Total & Number of cases & 123 & 66 & 189 \\
& & & 65.1\% & 34.9\% & 100\% \\
\hline
\end{tabular}
\caption{Number of cases where sufficient distinctiveness of the trademark was found under sub b, 2006-2018}
\end{table}

\begin{table}[h]
\centering
\small
\begin{tabular}{|l|c|c|c|}
\hline
Reference to consumer surveys & Number of cases & 24 & 165 & 189 \\
& & & 12.7\% & 87.3\% & 100\% \\
\hline
\end{tabular}
\caption{Number of cases where consumer surveys were referred to under sub b, 2006-2018}
\end{table}
than lost when consumer studies were presented to the judge. Although the number of studies was limited, it helped trademark owners win those cases.

2. Counterbalances

The analysis also suggests that the situation is not alarming. In practice, in the majority of cases the assessment concerned a word mark. Figurative marks were also frequently assessed, but again, in the majority of cases this concerned a figurative mark containing word elements. Purely figurative marks and shape marks were seldom assessed. The same applied to descriptive and cultural signs.

Granting broad protection to fanciful word and figurative marks also seems consistent. A strong and firm protection encourages trademark proprietors to maintain the high quality of their product, thereby protecting their reputation. Strong trademark rights ensure that consumers are protected against confusion and have lower search costs. In addition, the appropriation of fanciful signs and figurative marks, as already discussed above, does not as such grant trademark owners a competitive advantage over third parties. From this perspective, a broad protection might be justified.

In addition, in some cases, both parties had enough financial resources to afford the often expensive studies. For example, in the G-Star/He&M case, both parties presented consumer studies to the court, such that there was no imbalance between the litigants. Nevertheless, we do not know how many cases were settled amicably. It may be well that parties with enough financial resources were more likely to go to court.

Furthermore, the mechanism of granting more protection the higher the trademark owner’s investments did not necessarily apply. For example, in the Red Bull/Leidsseplein Beheer case concerning energy drinks, the court did not apply the rule that well-known marks have a broader scope of protection. This also influenced the question of whether the signs were similar. The court argued that there was no similarity between the RED BULL trademark and ‘The Bulldog’ sign.

Firstly, the court argued that there were no major visual similarities between the signs. According to the judge, the RED BULL trademark also included a picture of a bull and the word elements ‘Krating-Daeng’ and ‘Red’ which were elements that could not be neglected even though they were less distinctive than ‘bull’. ‘The Bulldog’ sign did not have these elements.

In the case of ‘The Bulldog’ sign, the court argued that ‘dog’ was as important as ‘bull’, while the element ‘The’ could not be ignored from a visual perspective. The RED BULL trademark did not have the elements ‘dog’ and ‘the’. In the court’s opinion, the fact that the words ‘Krating-Daeng’ were displayed in a smaller font in the RED BULL trademark did not alter the fact that these words were spoken. Therefore, the court argued, the emphasis placed on the element ‘bull’ was less auditory than visual. The court argued that the auditory similarity was even less relevant than the already fragile visual similarity.

Furthermore, the court ruled that the word ‘Bulldog’ had a fixed and clear meaning, namely referring to a dog breed. A bull and a dog were, it said, different species of animals. In the court’s opinion, the average consumer would not think of a bull when confronted with the word ‘bull’/’dog’ or a picture of a bulldog. This was also supported by market studies by the claimant. Therefore, the court said, the difference from a conceptual perspective was such that the minimal visual and auditory similarities between the signs were entirely suspended. Furthermore, the court argued, the considerable conceptual difference would ensure that the average consumer would not be confused by the visual and auditory similarities.

Although the goods were identical (energy drinks) and the degree of distinctiveness was high, consumers were not likely to be confused because the signs were not, or not sufficiently similar.

Interestingly, the court did not refer to the CJEU guideline stating that the more distinctive the earlier mark, the greater the likelihood of confusion. This would have favoured Red Bull because the trademark was very well-known amongst average consumers. Remarkably, another CJEU guideline was also not mentioned, namely that account should be taken of the fact that the average consumer only rarely has the opportunity to make a direct comparison between different marks but must place her/his trust in the imperfect picture of them kept in her/his mind.

If the court had applied these guidelines, it might have concluded that the ‘Krating-Daeng’ and ‘The’ elements were not noticed even though the ‘Krating-Daeng’ element was part of the trademark as registered. From an

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106 This is in line with CJEU case law. The CJEU has made it more difficult to register non-traditional signs: Case C-53/01-C-55/01 Linde ECLI:EU:C:2003:206, para 48; Case C-218/01 Henkel ECLI:EU:C:2004:88, para 52; Case C-136/02 P Mag Instruments ECLI:EU:C:2004:592, paras 30-31; Case C-20513 Hauck v Stokke ECLI:EU:C:2014:2223; Case C-104/01 Lheertel ECLI:EU:C:2003:244, para 55; Case C-299/99 Philips v Remington ECLI:EU:C:2002:377; Case C-48/09 P ECLI:EU:C:2010:516 Lego Jnr v BHIM, paras 56-57; Case C-30/15 P Simba ECLI:EU:C:2016:849.

107 The opposite of descriptive is ‘not distinctive’. The number of ‘not distinctive’ cases can be found under the ‘degree of distinctiveness’ factor. Judges seldom assessed that a trademark was not distinctive.

108 The judge did not assess whether the trademark was a cultural sign. A cultural sign was disputed in the following cases: District Court of The Hague, 26 March 2009, 329321 / KG ZA 09-115 – Einstein/Van Bokkoven; Court of Appeal of Amsterdam, 7 July 2009, ECLI:NL:GHAMS:2009:BJ7367 – Bavaria/AP, District Court of Noord-Nederland, 28 September 2011, ECLI:NL:RBLEE:2011:BV7389 – ‘Stokertje’, District Court of Noord-Nederland, 15 March 2012, ECLI:NL:RBLEE:2012:BV7916 – ‘Stokertje’, District Court of The Hague, 10 June 2014, ECLI:NL:RBHDA:2014:7508 – ‘t Huis van Columbus, District Court of The Hague, 13 September 2017, ECLI:NL:RBDHA:2017:10421 – StatiSina.

109 Court of Appeal of The Hague, 22 March 2016, ECLI:NL:GHDAH:2016:669 – ‘He&M/GoStar.

110 Court of Appeal, 14 March 2017, ECLI:NL:GHDHA:2017:561 – Red Bull/Leidsseplein Beheer. See also previous cases: Case C-63/12 Leidsseplein/Beheer/Red Bull ECLI:EU:C:2014:49; Dutch Supreme Court, 13 February 2013, ECLI:NL:HR:2013:292 – Leidsseplein/Beheer/Red Bull. See also: Court of Appeal of The Hague, 20 September 2011, ECLI:NL:GHSGR:2011:BS9833 = Red Bull/Osborne. See also Anemaet (n 53) 125.

111 Court of Appeal of The Hague, 14 March 2017, ECLI:NL:GHDHA:2017:561 – Red Bull/Leidsseplein Beheer BV, para 4.1.

112 Ibid para 4.2.

113 Ibid paras 4.3-4.4. This consideration was a reference to the Picasso v Picasso case where the CJEU ruled that, because of the strong conceptual meaning of the word ‘Picasso’ may neutralise the visual and aural similarities between the signs (Case C-361/04 P Picasso v Picasso ECLI:EU:C:2006:25, para 27).

114 Case C-342/97 Lloyd v Loints ECLI:EU:C:1999:323, para 26.
empirical perspective, the odds were even higher that this element would not be noticed by the average consumer. The fact that the court itself referred to the RED BULL trademark versus the ‘Bulldog’ sign in its reasoning may suggest that indeed such elements as ‘Krating-Daeng’ and ‘The’ can be neglected. The degree of similarity between signs would have been higher. Given the highly distinctive character of the trademark and the identity between goods, the judge could even have ruled that consumers were likely to be confused. That consumer studies pointed to a different conclusion could have been declared irrelevant in this respect by emphasizing, in the case of a highly distinctive mark, a likelihood of confusion had to be assessed normatively.

This case illustrates that judges did not always grant more protection when the trademark was very well known. When necessary, judges were able to block the automatism of granting more protection the more distinctive the trademark was. When judges found that the freedom of third parties was jeopardised, they could simply say that the signs were not similar.

3. Risk areas

This does not mean there is no risk of overbroad grants of protection. The study of Dutch case law indicates that trademark owners do sometimes succeed in achieving a broad scope of protection with regard to descriptive, cultural and non-traditional signs.\(^{115}\)

a) Non-traditional signs

For example, in the De Zuivelhoeve/Lidl case,\(^{116}\) the judge found that the defendant Lidl with their product packaging for yoghurts had infringed the trademark rights of De Zuivelhoeve. The claimant’s consumer study played a key role. The consumer study showed that 78.6% of respondents had used or seen claimant’s transparent bucket with yoghurt and fruit. In answer to the question whether respondents knew what was normally mentioned on the transparent bucket, 66.7% of respondents (51.7% of all respondents) answered De Zuivelhoeve.\(^{117}\) According to the judge, the shape mark consisting of yoghurt and fruit separated in different layers in a transparent bucket had acquired distinctiveness through use in trade and was to a certain extent well known.\(^{118}\) The judge argued that Lidl’s product packaging was highly similar to the shape mark of De Zuivelhoeve. The most striking elements of De Zuivelhoeve’s shape mark were, also in view of the consumer study, the shape and image of the transparent bucket filled with yoghurt. These specific elements were also found on the Lidl packaging. Combined with the fact that Lidl used their product packaging for identical goods, i.e. yoghurt, the judge argued that a likelihood of confusion existed.\(^{119}\)

De Zuivelhoeve therefore not only succeeded in educating consumers in perceiving the shape of a transparent bucket with yoghurt and fruit in separate layers as a source identifier, they also succeeded in getting protection against a similar transparent bucket because they had taught their consumers so well. The court strongly based its decision on empirical findings. The prospect of an attractive return on investment was fulfilled. Competitors who also wanted to present their yoghurt in a transparent bucket had to come up with something else, even though the shape mark was, in actual fact, a mere property of the product concerned. Arguably, a transparent bucket as product packaging is functional and should not have been registered at all. Consumers could easily see the content of the bucket since it was transparent. Therefore, De Zuivelhoeve did in fact obtain an unfair competitive advantage.

Interestingly, in the Dyson case, the CJEU used similar reasons to reject Dyson’s request for trademark registration on a transparent collecting bin for a vacuum cleaner.\(^{120}\) Admittedly, the Dutch case scenario was slightly different from the Dyson case, where the application concerned not a particular type of a transparent collecting bin, but rather, in a general and abstract manner, all conceivable shapes of such a collecting bin.\(^{121}\) De Zuivelhoeve’s trademark, on the other hand, concerned a particular shape\(^{122}\) of transparent bucket with yoghurt and fruit in separate layers depicted with their word mark and several figurative elements. Nevertheless, although De Zuivelhoeve did not register a transparent bucket in a general and abstract manner, in fact, the registration of a specific transparent bucket consisting of yoghurt and fruit in separate layers with a word mark and print on the cover led to a similar result – a monopoly on a mere property of the product concerned.

If the judge had ignored the fact that both buckets were transparent, it remains to be seen whether he would also have ruled that this was a case of infringement. The yoghurt layers were different as was the size of the buckets. Furthermore, Lidl’s bucket had no print on the side. Another important difference was that the buckets had different word marks and different prints on the cover.\(^{123}\) If the judge had considered these elements in isolation, he would probably not have concluded that this was an infringement. Therefore, although De Zuivelhoeve did not register the transparent bucket as such, in the infringement proceedings we see that registering a combination of elements as a trademark still allows a trademark owner to monopolise a single element.

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\(^{115}\) District Court of Rotterdam, 9 November 2006, ECLI:NL:RBROT:2006:AZ3045 – Taggerootjes; District Court of Amsterdam, 1 November 2007, ECLI:NL:RBAMS:2007:BF6923 – G-Start/New Yorker; District Court of The Hague, 2 April 2008, ECLI:NL:RBSGR:2008:BF9703 – Waterspeeltjes; District Court of Gelderland, 28 August 2009, ECLI:NL:RBARN:2009:BZ6313 – De Zuivelhoeve/Lidl; Court of Appeal of ’s-Hertogenbosch, 20 April 2010, ECLI:NL:GHSHE:2010:BM2895 – Stabilo/Beifa; District Court of The Hague, 18 April 2013, ECLI:NL:RBHDA:2013:BZ784 – Roundabout Van Haren; The Hague District Court, 10 June 2014, ECLI:NL:RBDHA:2014:7508 – ’t IJs van Columbus; District Court of Noord-Nederland, 28 September 2011, ECLI:NL:RBLEE:2011:BV7389 – ’t Stokertje; District Court of Noord-Nederland, 15 March 2012, ECLI:NL:RBLEE:2012:BV9716 – ’t Stokertje.

\(^{116}\) District Court of Gelderland, 28 August 2009, ECLI:NL:RBARN:2009:BZ6313 – De Zuivelhoeve/Lidl.

\(^{117}\) ibid paras 4.5.

\(^{118}\) ibid paras 4.7, 4.19.

\(^{119}\) ibid paras 4.16–4.17.

\(^{120}\) Case C-321/03 Dyson ECLI:EU:C:2007:51, para 38.

\(^{121}\) ibid para 19.

\(^{122}\) See also: Case C-421/13 Apple Inc v Deutsches Patent- und Markenamt ECLI:EU:C:2014:2070, para 31, where the Court says that these specific signs are registrable.

\(^{123}\) Another point was that the Lidl buckets were exclusively sold in Lidl supermarkets (para 4.17).
In other words, it can be risky to follow a generous approach towards registering non-traditional signs. Once a trademark has been registered, trademark owners can invest substantially in marketing and branding their trademark and then claim a broad scope of protection. Since the CJEU rejected the need to keep signs freely available as a factor in the confusion analysis, judges are not allowed to make normative corrections in favour of third-party interests. If consumers perceive the transparent bucket as a source identifier, the judge must take this into account. Other CJEU rulings further encourage the judge to grant a broad scope of protection. According to the CJEU, judges must focus on the distinctive elements and not so much on the less distinctive elements. Since consumers were specifically educated to perceive the transparent bucket as a source identifier, this was the most distinctive part. From this perspective, the other elements, such as different sizes, word marks and prints were less distinctive and therefore less important. The Bigott-Batcol/Doucal ruling of the Dutch Supreme Court, stating that similarities are more important than differences, further contributed to the judge focusing on the fact that both buckets were transparent.

Furthermore, colours, patterns or shapes can also be claimed via a figurative mark. An example is the IKEA/Serboucom case. Serboucom exploited a chain of hardware stores where construction materials, tools and decoration articles could be purchased. IKEA had a figurative mark with blue and yellow elements and a similar mark but with ‘IKEA’ in blue letters. The court of appeal ruled that given the strong reputation, both of the figurative elements as words were equally distinctive.

Sreboucom used a similar logo but with the words ‘multimate’ and ‘(service)bouwmarkt’. According to the judge, these words had little distinctive character. The consumer would interpret the signs ‘multimate’ as referring to an assortment of several devices and thus not as a badge of origin. Therefore, the average consumer would perceive the blue and yellow elements of Serboucom’s logo as most distinctive. Because of the similar colours, Serboucom’s sign was similar to the IKEA trademark. This outcome was not changed by the fact that the colours were not exactly the same (the colours had a different PMS number).

The judge used empirical findings, such as the high degree of distinctiveness of the IKEA trademark on the one hand, and the lack of distinctiveness of the defendant’s sign on the other hand to argue that this was a case of infringement. It is questionable whether real consumers were confused when seeing the ‘Multimate’ logo. Because of the strong reputation of the IKEA logo real consumers would know that ‘Multimate’ was not connected with IKEA, but with a third party. Although IKEA did not register a colour mark, they could still prevent Serboucom from using similar colours because of their trademark rights on the figurative mark with blue and yellow elements.

Again, this case illustrates how trademark owners can avoid normative restrictions regarding the need to keep signs free during the registrations process. Via the backdoor of a figurative mark, trademark owners acquired protection on particular elements that would otherwise have been rejected had trademark owners asked for a single registration of an abstract colour mark or a shape.

Similarly, in the TUC/Apéro case, the trademark owners only had a trademark right on a logo for salted crackers. According to the court, the defendant’s sign, which was also used for salted crackers, was confusingly similar to the trademark owner’s logo because of the similarity of the colours on the packaging. Given the high investments in marketing campaigns, market share, brand recognition and the long-term use of the trademark, the court argued that it was more likely that consumers were confused, even though the words were completely different. The court also stated that the product concerned was a supermarket product that consumers would purchase without thorough evaluation. Therefore, the consumer would more easily be influenced by the visual impact of the trademark they were looking for.

In addition, the court emphasised that the similarities were more important than the differences and that the differences (such as deviation in colour, letter type, layout, and word marks) were of minor importance. The district court further rejected the argument that the trademark owner was unduly monopolising colours with regard to salted crackers. The colours used were not common for salted crackers.

The judge also attached some value to the trademark owner’s consumer study. Although the trademark owner TUC seemed to have had a market leadership position, such that this actually should have been filtered out by a control group, the judge nevertheless found the results gave some indication that consumers were likely to be confused.

Trademark owners have not always succeed in claiming colours via a figurative mark. For example, in the Reckitt/Action case, the court ruled that the VANISH

124 Case C-102/07 Adidas v Marca ECLI:EU:C:2008:217, para 30.
125 District Court of Gelderland, 28 August 2009, ECLI:NL:RBARN:2009:BJ6313 – De Zaanhoutbol/Lidi, para 4.16. In recent years, the CJEU has taken a more cautious approach to protecting non-traditional marks. It could be argued that this case originated from a more generous period and the trademark might not have been registered if the current CJEU rulings were applied. However, because the trademark consists of a combination of several elements the refusal grounds probably still do not apply. The sign does not consist exclusively of a mark consists of a combination of several elements the refusal grounds
126 The Hague Court of Appeal, 26 January 2010, ECLI:NL:GHSGR:2010:BL1936 – IKEASerboucom.
127 ibid para 22.
128 See also Kur and Senthilen (n 10) 315.
129 District Court of The Hague, 7 September 2011, HA ZA 09-589 – TUC/Apéro.
130 ibid para 4.14.
131 ibid para 4.9.
132 ibid paras 4.9-4.10.
133 ibid para 4.13.
134 ibid paras 4.13-4.16. See also District Court of The Hague, 21 August 2009, ECLI:NL:RBSGR:2009:BJ7097 – Barbours/Sacha; District Court of The Hague, 8 November 2017, ECLI:NL:RBDHA:2017:12949 – Adidas/H&M. For a similar outcome of a previous case in the proceedings, see: Court of Appeal of Arnhem-Leeuwarden, 1 December 2015, case 208.135.172/02, IER 2016/31 – TUC/Apéro.
135 Court of Appeal of The Hague, 24 February 2009, ECLI:NL:GHSGR:2009:BH6459 – Reckitt/Action. See also Court of Appeal of Amsterdam, 17 February 2009, ECLI:NL:GHAMS:2009:BH13125 – Davidoff/Coscentra.
trademark for detergents was very distinctive and well known among the relevant public because of massive marketing campaigns.

However, the court also argued that the trademark owner Reckitt could not claim any rights on the colour pink for detergents. This particular colour was only one element of their figurative marks. According to the judge, colours are normally not more than a characteristic of the goods and are used on a large scale because of their attractiveness. In the court’s opinion, people are generally aware of the fact that detergents are presented in multi-coloured packaging. Consequently, the average consumer would not perceive the colour pink on the label as a badge of origin, in spite of the fact that they had been consistently presented with the appearance of the product to which the VANISH trademark was attached.

Given this fact, the judge argued that only a minimal degree of distinctiveness could be assigned to the colour pink. Accordingly, the fact that the colour pink dominated the trademarks could not have a significant impact on the overall impression. According to the judge, the average consumer who was used to the fact that detergents were presented in multi-coloured packaging would not pay special attention to the colour pink and therefore would not remember this particular colour as a badge of origin.136

It is, however, doubtful whether these assumptions are true. Consider, for instance, the widespread recognition of the lilac colour of Milka and the colour magenta of Deutsche Telekom; these examples show us that consumers are able to recognize an abstract colour as an identifier of commercial source after intensive use in trade.137 There are more reasons to believe that consumers do not by definition experience more difficulties in perceiving colours. For example, colours are easy to perceive, and they are clearly visible from a distance, in contrast to words. Colours are a good tool for remembering objects.138 Furthermore, with regard to services, consumers quickly recognize colours as an identifier of commercial source because by nature services do not have colour.139 In addition, colours can better function as identifier of commercial source than word marks if the trademark is addressed to a public that has difficulties with reading or that cannot read at all.140

However, the court probably used these assumptions, i.e. consumers will not recognize the colour of the label as an identifier of commercial source, to reach a normative purpose: colours should remain available to other users on the market. If the court had empirically assessed the perception of the consumer, the trademark owner Reckitt would have expanded their figurative mark rights to a right on an abstract colour (pink) used for detergents. Because of the attractiveness of a colour and the fact that the number of colours is limited, an expansion must be justified. For example, the threshold to achieve a trademark right on an abstract colour is much higher simply because of these normative considerations. The trademark owner must prove that the sign has acquired distinctiveness through use in trade if it wants to register an abstract colour as a mark. Conversely, a figurative mark does not have to pass this high threshold.141

This case therefore illustrates that judges sometimes did make normative corrections when the filtering mechanisms of the registration process did not function properly. In light of the CJEU case law,142 judges could argue that the colour pink was not particularly dominant and could be ignored. High investments in the VANISH brand were not enough to override the normative objections towards keeping colours freely available for competitors.143

However, the fact remains that judges do have a range of rules at their disposal that favour trademark owners’ investments. Even though the number of cases involving non-traditional signs was limited and judges did not always take a generous approach towards granting trademark protection, it was possible to circumvent normative restricting regarding the need to keep signs free during the registration process via the registration of a figurative mark.

b) Descriptive and cultural signs

Similar problems could arise with regard to descriptive signs. Although there were only a few cases in which the court ruled that a trademark was not distinctive, this did not mean that a trademark could not consist of descriptive elements.

For example, in the IT-Staffing/Staffing it case,144 the court found that the third party’s sign ‘Staffing it’ had infringed the trademark rights on the figurative mark ‘IT-Staffing’. Both parties used their signs for employment services. Considering the many similarities, the court said,

136 Court of Appeal of The Hague, 24 February 2009, ECLI:NL:GHSGR:2009:BH6459 – Reckitt/Action, paras 9-11. The same was concluded with regard to the purple colour used for a detergent (see para 17).
137 CTM registration 000031336 of 27 October 1999 (Kraft Foods) and CTM registration 000212787 of 3 August 2000 (Deutsche Telekom). See also CTM registration 000749949 of 23 March 2007 (MHCS) for the colour orange for alcoholic beverages; CTM registration 006238131 of 31 July 2008 (Deere & Company) for the colours green for the vehicle body and yellow for the wheels of agricultural and forestry machines; CTM registration 010079169 of 14 September 2004 (Orange Brand Services Limited) for the colour orange as a characteristic element of the trademark for telecommunication services. The colour blue was for instance accepted in the Benexel as a valid trademark for metal containers years ago: Benexel Court of Justice, 9 March 1977, Nederlandse Jurisprudentie 1977, 416, comment LWH; Berichten Industriële Eigendom 1977, 60 (Ahrendt/Leeferink; Camping Gaz). See for a more recent example Court of Appeal, Brussels, 13 October 2013, ing.-Cons. 2013, 845 – Mavis v Jupiter. See also Senflenburg (n 10) 803.
138 Patricia Siple and Robert M Springer, ‘Memory and preference for the colors of objects’ 34 Perception and Psychophysics 363 (1983); Jules Davidoff, Cognition through Color (MIT Press 1991); Robert M Boynton and Stanley Dolensky, ‘On Knowing Books by their Colors’ (1979) 48 Perceptual and Motor Skills 479.
139 Cohen Jehoram, Van Nispen and Huydecoper (n 42) 162.
140 Neil A Purcell, ‘Kleurmerken: ja, maar… Beschouwing van HvJ EG 6 mei 2003 (IER 2003, 50 m.nt. ChG, Libretti/BMIB’) (2003) 6 Intelectuele Eigendom en Reclamerecht 135, 141.
141 Lotte Anemaette, ‘The Public Domain Is Under Pressure: Why We Should Not Rely on Empirical Data When Assessing Trademark Distinctiveness’ (2016) 47 IIC 303.
142 Case C-104/01 Libertel ECLI:EU:C:2003:244; Case C-49/02 Heidelberger Bauchemie ECLI:EU:C:2004:384.
143 The court followed a similar line of argument with regard to the shape of the bottle that Reckitt wanted to protect via a figurative mark. The court concluded that the shape was not distinctive. Furthermore, according to the judge, consumers were not used to perceiving shapes as a source of origin. Shapes must be significantly different from the norm in the sector. This applied all the more to shapes that constituted part of a figurative mark. See: Court of Appeal of The Hague, 24 February 2009, ECLI:NL:GHSGR:2009:BH6459 – Reckitt v Action, paras 19-21.
144 District Court of Midden-Nederland, 25 April 2018, ECLI:NL:RBMNE:2018:1768 – IT-Staffing/Staffing it.
the small differences (such as another colour and font, a hyphen and several tiny figures surrounding the letter ‘I’) failed to give weight to the similar overall impression. In addition, the court argued that the trademark had a highly distinctive character which was supported by several consumer studies, so that it was more likely that consumers were confused.

The fact that the public consisted of professionals specialised in the IT field did not alter this conclusion. In addition, the relevant public not only consisted of companies who outsourced IT work to self-employed parties but also of self-employed parties operating in the IT field. These self-employed parties could not be expected to be more cautious because they did not generally have a particular interest in knowing who was responsible for assigning the contract.

Despite the fact that IT-Staffing was quite descriptive, the trademark owner succeeded in getting trademark protection. Empirical findings concerning the highly distinctive character of the trademark mainly determined the outcome of the case. Again, a figurative mark (containing word elements) was used to register elements that were not particularly distinctive and could have been refused if only the single words were registered.

In addition, the ‘t IJs van Columbus’ case illustrates that a cultural meaning does not necessarily overrule the mechanism that grants more protection if a trademark has a highly distinctive character. Instead of limiting scope of protection, the judge argued that the name ‘Columbus’ contributed to the trademark’s distinctive character because the name would be more easily brought to mind owing to the associations the cultural name evoked. The defendant’s sign also contained the name ‘Columbus’. Given the dominant position of the name ‘Columbus’ in the figurative mark, the sign could therefore be seen as similar.

Moreover, trademark owners did not even always have to invest heavily in their trademark to receive protection. For example, in the LIEF/LIEFDIER case, the court found that the defendant IJsvogel c.s. infringed the trademark rights of KHF c.s. on LIEF!, which was registered for pet accessories by using the sign LIEFDIER also for the same goods and services. Firstly, the court argued that the LIEF! trademark had a distinctive character. The fact that (the adjective) LIEF (English: ‘sweet’) referred to the standard meaning of ‘sweet’, the court said, did not mean that the trademark was descriptive of the registered goods, namely dog and cat pillows.

Secondly, the court argued that there was a likelihood of confusion. According to the judge, the most obvious similarity between the trademark and the sign was the identical element LIEF. According to the judge, because LIEF in LIEFDIER was placed in front, and DIER (English: animal) must be categorised as descriptive for pet accessories, LIEF was a dominant element in LIEFDIER, or at least, it was an element with an independent place in the word combination. In the court’s opinion, this suggested a high degree of auditory and visual similarity between the trademark and the sign. LIEF in LIEFDIER also had a specific meaning, the court said, because it usually referred to (a characteristic of) the animal for which the accessory was intended. According to the judge, the trademark LIEF! could be interpreted in a similar way. Therefore, the court argued, there was also a conceptual similarity between the trademark and the sign.

The registration of a quite descriptive term could therefore also have serious consequences for competitors on the market. Because of its descriptive character, the trademark indirectly informed consumers about a characteristic of the animal for which the accessory was intended. This could give trademark owners KHF c.s. an unfair advantage on competitors on the market. Defendant IJsvogel c.s. was no longer allowed to use a similar term for their product. Furthermore, the specific meaning that the trademark LIEF! evoked by its descriptiveness was used against the defendant when assessing likelihood of confusion. Because the trademark LIEF! usually referred to a characteristic of the animal for which the accessory was intended – pets are usually associated with such terms as sweet, soft and fluffy – there was also a conceptual similarity.

While the court found the link between pet accessories and sweet to be insufficiently direct to deprive the trademark owner of his rights, this link was, however, direct enough to conclude that the trademark and sign were conceptually similar. Instead of limiting the scope of protection by emphasising the differences between the trademark and the sign, such as the interspace between LIEF and DIER, the different look and feel, and the exclamation mark, the judge looked at the similarities instead of the differences and labelled these as dominant. Because judges need to consider the overall impression created by

150 See n 66 for more cases.
151 District Court of The Hague, 2 February 2017, ECLI:NL:RBDHA:2017:921 – KHF/IJsvogel.
marks, slightly distinctive trademarks could be considered dominant and distinctive if the defendant’s sign did not contain particularly distinctive elements.154

4. Summation
As shown above, in practice, the automatism of granting more protection in response to heavier investments in marketing and branding did not often appear when dealing with descriptive, cultural and non-traditional signs. From this perspective, the situation was not alarming.

Nevertheless, in some cases, trademark owners still succeeded in achieving broad protection for descriptive, cultural and non-traditional signs. In particular, figurative marks formed a risk. When trademark owners invested heavily in their logo, the elements concerned, such as particular colours, automatically became very well known to consumers. When a defendant used similar colours in their logo, this could lead to infringement even if the defendant added a different word mark. Since judges are not allowed to make normative corrections towards third-party interests and trademark owners can avoid normative restricting during the registrations process, trademark owners with deep pockets may have a free hand in achieving broad trademark protection with regard to descriptive, cultural and non-traditional signs.155

It is true that in some cases courts blocked this automatism of granting more protection to highly distinctive trademarks. Courts simply argued that the signs were not similar or emphasised the fact that consumers were not used to perceiving colours as a badge of origin. Nevertheless, there were also cases in which courts did not deviate from the pattern of granting more protection to highly distinctive signs. Trademark owners sometimes did not even have to invest heavily in their trademark to achieve broad protection. In some cases, the CJEU rulings were enough to conclude that the signs were similar, for example because both signs started with the same and therefore eye-catching elements.

154 A more restricted approach would involve looking at the various elements in isolation. Courts could deny any similarity between signs if the elements coinciding in two conflicting signs were not protectable as such. Although the infringement claim could also have been successful under this approach since the LIEF trademark was found to be distinctive, in some other cases it would have led to the claim being rejected. For example, in the Connect/Connect Professionals case involving employment agencies, the trademark was slightly distinctive. If the judge had assessed the elements ‘Connect’ and ‘Professionals’ in isolation, the judge might have argued that the trademark CONNECT was slightly distinctive and therefore the slightest difference between the marks (like ‘Professionals’) could have been enough to reject the infringement claim. District Court of Gelderland, 4 April 2017, ECLI:NL:RBGEL:2017:2433 – ‘Connect/Connect Professionals’. See also Kur (n. 23) 99.

155 Even under the new limitations, the use of the sign would probably still not be justified since it would have to be in accordance with honest commercial practices. Given the notoriety of the colours, i.e. as in the IKEA/Serboucom case, using similar colours would probably be seen as unfairly competing with the trademark owner. Because of the notoriety of the colours, consumers will automatically think of IKEA when confronted with similar colours; irrespective of the question whether the defendant used their own trademark or not. The use of similar colours can also not be seen as intended to give an indication concerning one of the specified characteristics of the goods. See Case C-639/07 BMW v Dijk V Deken ECLI:EU:C:2009:82, para 61; Case C-100/02 Gerolsteiner Brunnenn GmbH & Co ECLI:EU:C:2004:11, para 26; Case C-102/07 Adidas v Marca ECLI:EU:C:2008:217, paras 47-48.

VII. An exemplary study of UK case law
To check whether similar conclusions could be drawn for other EU Member States, an exemplary study was done of UK case law. A small sample of UK cases156 seems to confirm these findings. In the UK cases, claimants also won more often than they lost.157 Simplicity between signs played a crucial role in the likelihood-of-confusion assessment. This factor was discussed in all cases, in contrast to factors of similarity of goods and services and degree of distinctive character. In most cases the consumer had an average degree of attention, and in only a few cases the UK courts deviated from the benchmark of the average consumer.158 Consumer surveys also played a modest role in the UK cases.159 Instead, witness statements were frequently used as evidence of actual confusion.

Furthermore, in the majority of cases, the degree of distinctive character was average or high. A high degree of distinctive character was in some cases even explicitly rewarded with a winning claim.160 Furthermore, the rule stating the more distinctive the earlier mark is, the greater will be the likelihood of confusion, was well known among judges and regularly found in the beginning of the decision, where judges outlined the legal framework. In other words, in UK case law, infringement factors also seemed to favour trademark owners’ investments.

Nevertheless, in practice, in UK case law, the risk of misappropriating descriptive, cultural and non-traditional signs also seems to be limited. The majority of cases concerned word marks and figurative marks containing word elements.161 In one case, involving the shape of a London taxi, the trademark owner even lost. The court found that the trademark was invalid. Consumers would have difficulties recognising shapes as a source of origin and because of the Regulation for London taxis, consumers would think that there was only one kind of London taxi.162

However, in some UK cases, trademark owners succeeded, via a figurative mark. For example, in the Enterprise/Europcar case, the trademark owner’s high
investments in marketing and branding campaigns were awarded. Both parties used the letter ‘e’ in their logos. The judge considered that the letter ‘e’ was an extremely commonplace letter, and it was widely used in both descriptive and denotive contexts.163 However, the judge also argued that the letter ‘e’ was not widely used in logos to denote providers of vehicle rental services in the UK, thus the logo had inherent distinctive character. Furthermore, the court argued that the ‘e’ logo had an enhanced distinctive character as a result of its use for vehicle rental services.164 This high distinctive character and the fact that both parties used their logos for identical services supported a likelihood of confusion even though a low similarity between the logos was found and in fact granted the trademark owner a monopoly on a single letter with regard to vehicle rental services.165

Finally, in the *Thomas Pink/Victoria’s Secret* case, the claimant had registered the word ‘PINK’ with pink lines making up the letters for clothing and other accessories.166 The defendant, Victoria’s Secret, launched a sub-brand called ‘PINK’, also used for clothing. The court found that the trademark had acquired a distinctive character through use, but argued that pink was a colour,167 so it did not have an enhanced, but only a normal, level of distinctive character.168 Nevertheless, the use of PINK emblazoned on the defendant’s items of clothing still created a likelihood of confusion among consumers since the goods were identical and the signs were very similar. The same applied to the use of PINK in slogan and device format.169 Although the claimant did not use a colour mark, he still managed to (partly) claim the colour pink via the logo.

As these UK cases show, it can pay off to invest heavily in marketing and branding campaigns. In the majority of cases, trademark owners won the case while the degree of distinctiveness was often average or high. Nevertheless, the risk of misappropriating descriptive, cultural and non-traditional signs seems to be limited since in most cases, this concerned a word mark or a figurative mark. However, the UK cases also illustrate that this type of mark may be a risk for the trademark system. Via the registration of a figurative mark, trademark owners received protection for the letter ‘e’ for vehicle rental services and the colour pink for clothing and other accessories. Without these investments and additional consumer studies it is doubtful whether the claimants would have won.

### VIII. Conclusion

This article considers whether there is a risk of trademark law being strategically used as a self-servicing mechanism by the industry. In this respect, two features of the trademark system are particularly worrisome. First, trademark owners can strengthen the distinctive character of their marks by investing in marketing and branding campaigns. Second, trademark owners can afford expensive surveys demonstrating the high distinctiveness of their marks thus strengthening their position in an infringement case.

As shown above, the EU trademark system indeed encourages and rewards trademark owners’ investments in several ways. An empirical study of Dutch case law demonstrates that trademark owners more often win than lose. Furthermore, trademark owners more often win the more they invest in their trademark. In addition, when a court applies the CJEU rule stating that consumers are more easily confused when confronted with a highly distinctive trademark, trademark owners also win most cases. Furthermore, judges are more likely to label signs as similar if a trademark is highly distinctive. Moreover, consumer surveys further strengthen trademark claims.

The analysis also illustrates, however, that cases involving attempts to monopolise descriptive, cultural and non-traditional signs (where trademark protection may endanger freedom of expression and freedom of competition) are not widespread. Granting broad protection to fantasy marks and other fanciful forms of marks does not seem inconsistent in light of the rationales underlying trademark law. In addition, in some cases both parties had enough financial resources to afford the often expensive studies. Besides, judges did not always give more protection when the trademark was very well known. When necessary, judges simply stated that the signs were not similar.

Nevertheless, this does not mean that there is no risk at all of granting overbroad protection against confusion when it comes to descriptive, cultural or non-traditional signs. The study of Dutch case law indicates that trademark owners indeed sometimes succeed in achieving a broad scope of protection with regard to descriptive, cultural and non-traditional signs. In particular, figurative marks may form a risk. Since they allow trademark owners to circumvent normative restrictions when registering a figurative mark, and judges, in line with the CJEU decision in *Adidas/Marka*,170 are not allowed to make normative corrections towards third-party interests on the basis of a need to keep signs freely available on the market, trademark owners with deep pockets can go very far in infringement cases. Consequently, this may lead to an unbalanced market situation with, on the one hand, trademark owners enjoying broad trademark rights and competitive advantages from the sign as such, and on the other hand, third parties being excluded from using these appealing signs and being forced to use less effective trademarks because these signs are not available in sufficient supply.

As long as the CJEU persists in refusing to consider the need to keep signs freely available to competitors on the market as a relevant factor in the likelihood-of-confusion

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163 *Enterprise v Europcar* [2015] EWHC 17 (Ch), [2015] 16 ETMR 364, para 183.
164 *ibid* paras 183-198.
165 *ibid* paras 7, 216. Interestingly, two of the claimant’s registrations were subject to disclaimers of the right to the exclusive use of a letter ‘E’.
166 *Thomas Pink v Victoria’s Secret* [2014] EWHC 2631 (Ch), [2014] 57 ETMR 1129.
167 *ibid* para 151. ‘If a consumer asks for a “pink shirt” they may mean to refer to the claimant or they may simply be referring to the colour of the item.’
168 *ibid* para 151.
169 *ibid* paras 169-170. However, no likelihood of confusion existed with regard to the swing tags and garment labels on clothing. The sign PINK was not distinctive enough to retain a distinctive role independently of the well-known brand VICTORIA’S SECRET when used on swing tags and labels in the retail context in the defendant’s PINK stores (para 178).
170 *Case C-102/07 Adidas v Marca* ECLI:EU:C:2008:217, para 30.
assessment, trademark owners will invest heavily – and sometimes be rewarded – with a broad scope of protection. If we want to further reduce the risk of descriptive, cultural and non-traditional signs no longer being freely available to competitors on the market, we must recalibrate the confusion analysis and allow judges to make normative corrections in favour of third parties’ freedom of expression and freedom of competition. In this way, judges will be better equipped to weigh trademark owners’ interests against the interests of competitors and the general consuming public. Accordingly, judges should be able to permit unauthorised uses of trademarks even when this might lead to likelihood of confusion among consumers. Consumers would not be confused about the commercial origin of goods or services if enterprises were not able to invest in these non-distinctive signs in the first place.\(^{272}\) Therefore, the fact that consumers are likely to be confused should not prevent judges from refraining from a cause of action that may lead to an imbalanced anti-confusion assessment and generate dysfunctional incentives.

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\(^{271}\) If these signs were definitely excluded from trademark protection, enterprises would not be interested in investing in marketing campaigns aimed at educating consumers about the role of these signs as identifiers of commercial source. This would in turn reduce the need for protecting consumers against potential confusion by awarding trademark protection. See also Anemaet (n 141) 308-309; Ramsey (n 10) 1100, 1150; McKenna (n 11) 1899. See also William McGeveran and Mark P McKenna, ‘Confusion Isn’t Everything’ (2013) 89 Notre Dame Law Review 253.