

DAYADAY - General Court once again obliges the EUIPO to assess the precise level of a claimed reputation

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The General Court annulled a decision by the Second Board of Appeal of EUIPO, based on an insufficient (or, rather, inexistent) assessment of the reputation claimed by the opponent (GC, 1 June 2018, T-900/16, only available in Spanish and French).

The case concerned largely identical marks- DAYADAY in slightly different stylization - on both sides of an opposition against an EUTM application for, in part, dissimilar goods and services. The opponent alleged that the use of the later DAYADAY mark would be detrimental to, and take unfair advantage of, the (alleged) exceptionally high reputation of its mark.

The Board of Appeal did not analyse the alleged reputation in any detail. It rather assumed that reputation had been shown and went on to assess the case on that basis. It then rejected the opposition (and appeal) on the basis that the opponent had not credibly argued that the use of the later mark would result in dilution or misappropriation of the reputation. The opponent was said to have done little more than repeat the language of the law, without, however, providing concrete facts and arguments to show one of the injuries addressed by Art. 8(5) EUTMR. In

particular, the opponent had not submitted any “data relating to a change in the spending behaviour of the average consumer of the goods of the earlier mark” (here, the Board applied the CJEU case law from Intel – C-257/07 and Wolf – C-383/12 P, the “killer of dilution”) nor shown how the goodwill would be transferred from his own to the later mark. The Board emphasized that it was not automatic even for an almost identical mark applied to different goods or services to take unfair advantage of an earlier mark with a reputation, or to lead to its dilution.

The GC, referring to the earlier judgments Darjeeling (T-627/13) and HENLEY (T-362/15), held that “the application of [art. 8(5) EUTMR] necessarily requires a **definitive conclusion** as to the existence of such a reputation, which, in principle, excludes that an analysis regarding the possible application of this provision is made on the basis of a vague hypothesis, that is to say, of a hypothesis that does not rely on the admission of a popularity of a **specific intensity**”.

In other words – even though the Board finds that, under the circumstances of the case, there can be no “unfair advantage” or dilution even assuming fame (or a very high degree of reputation), it must still go through the evidence and analyse the level of reputation of the mark shown before it rejects the opposition.

Art. 8(5) EUTMR has four cumulative requirements – in short: similarity of marks, reputation, one of three possible injuries (dilution, misappropriation, tarnishment), and absence of due cause. The teaching of the DAYADAY decision only applies once the first hurdle (similarity of marks) has been taken. Where the marks are found to be dissimilar, the reputation evidence can be ignored. One wonders whether the additional wisdom to be derived from a full review of the evidence could – or should – not also have an impact on the decision where to draw the line between “no similarity” and “very low degree of similarity”.

The case will now go back to the Board, which will analyse the precise intensity of the reputation resulting from the evidence – and then judge anew whether any of the injuries under Art. 8(5) EUTMR were present.