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ProfiColor vs Policolor: a weak conflict but a moot decision

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The case of CWS-Lackfabrik Conrad W. Schmidt GmbH & Co. KG v Policolor, looks at traditional issues as likelihood of confusion, but also at the thorny issue of whether earlier rights need to be valid at the time of issuing a decision or only at the relevant date for the cause of action.

Lackfabrik owned the earlier EUTM registration n. 005482104 for “ProfiColor”



covering a range of goods and services in classes 2 and 40, and filed an opposition (in 2012) against the EUTM application n. 010277176

The logo for Policolor consists of the word "Policolor" in a bold, white, sans-serif font, centered within a solid blue rectangular background.

filed by Policolor SA (“Policolor”) covering identical and similar goods in classes 2 and 3.

The Opposition Division (OD) finding a likelihood of confusion, upheld the opposition in relation to part of the contested goods in class 2, namely “*paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colorants; mordants; metals in foil and powder form for painters, decorators, printers and artists*”.

Policolor appealed before the Board of Appeal (“BoA”) denying any likelihood of confusion. In particular, Policolor argued:

1. the low distinctiveness of the suffix “color” for goods in class 2;
2. the fact that the relevant public would rather focus on the “Poli” – “Profi” elements, particularly because of their position at the beginning of the mark;
3. the visual and aural dissimilarity of the marks; and
4. the fact that the two marks had coexisted on the EU market by virtue of the protection of “Policolor” as an international mark in eight EU countries (Bulgaria, Czech Republic, Estonia, Greece, Hungary, Romania, Slovenia and Slovakia).

On January 29, 2016, the BoA dismissed the appeal. The BoA found that: *i*) the term “color” was the most dominant or eye-catching element and the one on which consumers would focus, since it is a commonly known word; *ii*) the goods at issue were identical or similar; *iii*) the claimed coexistence could not result in a lack of confusion among the relevant public since it did not occur in a significant part of the EU territory. The BoA concluded that there was a *high* degree of similarity between the conflicting marks and a likelihood of confusion.

Policolor filed an appeal before the General Court (GC) claiming that the BoA had erred in finding that there was a likelihood of confusion; additionally, on December 8, 2016, Policolor also informed the Court, first, that it had brought revocation proceedings against the earlier mark in June 2016 and, secondly, that that mark had no longer been in force since 8 November 2016, as the proprietor of that mark had not renewed its registration prior to that date.

With decision T-178/16 issued on April 16, 2017, the General Court (GC), rejected Policolor’s requests about the assumed invalidity of the earlier PROFICOLOR and upheld the BoA’s decision on the likelihood of confusion.

As to the validity, the GC held that even if not renewed at the expiry of Nov. 8, 2016, PROFICOLOR could still be renewed in the subsequent 6 months. And even if revoked, that would not have any effect on the present action. It is only as of that date or, in principle, the date on which the application for that revocation was submitted that that mark would no longer have the effects provided for by Reg. no 207/2009 and not in respect of the earlier period with regard to which the contested decision was adopted. Consequently, no account should be taken of a possible non-renewal of the earlier mark or of a possible revocation of that mark for the purpose of assessing the legality of the contested decision, as neither point would impact on anything taken into account in that decision at the relevant date. There is some logic to this of course, but it appears to be contrary to the General Court’s findings in the Metro case, and the EUIPO Practice Manual on this issue.

Moving to the likelihood of confusion, the GC found that neither the size of the term ‘color’ nor its position in the signs at issue makes it possible to conclude that that term is the most dominant or eye-catching element. The BoA therefore had erred in finding that that was the case. However (and there is always a however in these matters...) the GC also found that the element ‘color’ is the same size as the elements ‘poli’ and ‘profi’. Furthermore, it contains one letter more than the element ‘poli’ in the mark applied for and the same number of letters as the element ‘profi’ in the earlier mark. It is not therefore negligible and has to be taken into consideration in comparing the signs at issue from a visual, phonetic and conceptual standpoint.

The GC concluded that the conceptual difference would not be understood by the majority of the public and that there was at least a *low* degree of similarity. As such, although the BoA erred in finding that the degree of similarity was *high*, in light of the identity/highly similarity of goods the GC confirmed the BoA's finding that there was a likelihood of confusion.

All is well what ends well, but was it all necessary? The GC decision was adopted on April 16, 2017. The six-month grace period ended on May 8, 2017, *i.e.* 22 days later. And, as a matter of fact, PROFICOLOR was NOT renewed and it was declared as lapsed by EUIPO on May 9, 2017. Should the GC have waited to see if the earlier mark was renewed? On their reasoning there was no need to (as this did not impact on the assessment in the decision). But 4-5 years of decisions and appeals to find in favor of a party that apparently has lost interest in the mark in question may not be the best use of everyone's time! This issue is still unclear – this decision is in line with C?268/12 P, Cadila Healthcare Ltd v. OHIM of May 8, 2013, but contrary to Metro and EUIPO guidance. Should practical issues of intent be taken into account or only formal legal points?

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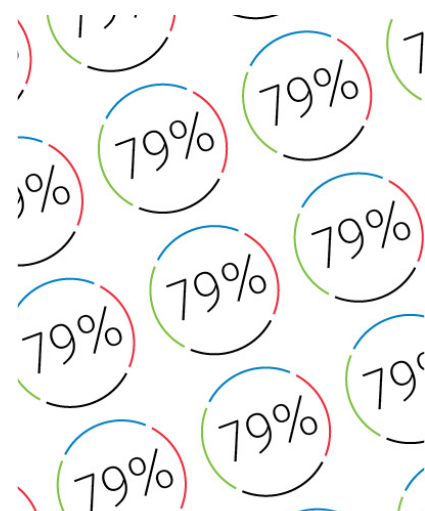
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“>General Court

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