

Q290

Conflicts between composite trade marks, including nondistinctive elements

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1. Name (*in English*) of contributing National/Regional Group or Independent Member: *

Hungarian Group of AIPPI

2. Contributor's name: *(please note: name cannot be edited after the report submission)* *

Enikő KARSAY

3. Contributor's email: *

karsay@sbgk.hu

4. Other Contributors / Authors:

György BAKSAY-NAGY; Bálint HALÁSZ; Nelli KOCSOMBA; Borbála KOVÁTS; Kristóf ORMOS; Dorottya VITTAY

I. Current law and practice

Please answer the below questions with regard to your Group's current law and practice.

5. **1)** What is the current rule/principle in your jurisdiction when assessing similarity between marks when one or both marks are composite trade marks? Please pick one of the following choices and provide your comments if any:

- ☐ a) The "Anti-Dissection Rule" is the only rule/principle to adopt.
- ☐ b) The "Rule of Dominant Feature" is the only rule/principle to adopt.
- ☐ c) The "Anti-Dissection Rule" is the main rule/principle and the comparison is conducted mainly between the overall impressions of the conflicting trade marks when judging similarity.
- ☐ d) The "Rule of Dominant Feature" is the main rule/principle and it is more important to compare the conflicting trade marks in respect of their dominant parts.
- ☐ e) The "Anti-Dissection Rule" and "Rule of Dominant Feature" are equally important rules/principles.
- ☒ f) Other, please clarify.

6. **1)** Please add comments below

7.

1) f) (continued) Please add comments below.

According to the legal practice and the Guidelines of the Hungarian Intellectual Property Office effective from 1 January, 2024, when assessing similarity, the first step should always be the assessment of the overall impression, i.e. the "Anti-Dissection Rule". Second, the dominant element has to be identified. Third, the dominant elements have to be compared ("Rule of Dominant Feature"). In relation to this Question, we refer to the judgement "THE KING/ KING'S" under case No. 3.Pk.20.448/2015/6 in which the court held that the figurative trademark application, which had the dominant "KING'S" element in it, was similar to the earlier trademark "THE KING". In both cases, the overall impression was dominated by the word 'KING', and the visual, phonetic and the conceptual similarity of the two words established a likelihood of confusion. Although the court assessed first the overall impression of the marks, it finally made its decision based on their dominant elements.

8. **2)** Is it the case that the non-distinctive element of trade marks is disregarded completely when assessing similarity between the marks in your jurisdiction? Please pick one of the following choices and provide your comments if any:

- ☐ a) Yes, it is very much the case.
- ☐ b) Yes, it is the case but there are exceptions.
- ☒ c) No, it is not the case.
- ☐ d) Other, please clarify.

9. **2) (continued)** Please add comments below.

10. **2) d)** Please clarify

11. **3)** Is it possible for a non-distinctive element of a trade mark to be viewed as the dominant feature of the mark in your jurisdiction? Please pick one of the following choices and provide your comments if any:

- ☒ a) Yes, it is possible but rarely happens.
- ☐ b) Yes, it is possible and occurs frequently.
- ☐ c) No, it is excluded by law.
- ☐ d) Other, please clarify.

12. **3) (continued)** Please add comments below.

13. **3) d)** Please clarify

14. **4)** Does the nature of the non-distinctive element affect its influence on similarity of two trade marks containing the non-distinctive element, in your jurisdiction? For instance, a non-distinctive element which is the generic name of the goods/services may be less relevant in similarity judgment than a non-distinctive element being descriptive of the characteristic of the goods/services in some jurisdictions. Please pick one of the following choices and provide your comments if any:

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

15. **4) (continued)** Please add comments below

c)

- The position of the non-distinctive element inside the mark,
- The more directly the element refers to the goods and services, the less influence it has for the comparison,

Common Practice 5 (agreed in the collaboration in the context of the Convergence Programme through the European Union Intellectual Property Network) (on the Likelihood of confusion and the impact of non-distinctive/weak components) is applicable but the same criteria was used even before the adoption of this Common Practice.

In relation to this Question, the Metropolitan Court found similarity between two figurative trade marks, where apart from the similarity between the dominant elements (Borsodi/Borsodi Király), it also considered that the identical colour (combination of gold, green and yellow) of the numerous non-distinctive elements (which took the larger part of the marks) also contribute to the fact that the consumers confuse the marks (Case No. "Nr. 3.Pk.24.671/2014/4)

16. **4) d)** Please clarify

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

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

18. **5) (continued)** Please add comments below

19. **5) d)** Please clarify

20. **6)** What factors are considered when judging whether trade marks including non-distinctive elements are considered confusingly similar or otherwise conflicting, in the registrability assessment of the later trade mark, in your jurisdiction? Please pick one or more choices from the following list and provide your comments if any:

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

21. **6) (continued)** Please add comments

22. **6) n)** Please clarify

23. **7)** What factors are considered when judging whether trade marks including non-distinctive elements are considered confusingly similar or otherwise conflicting in trade mark infringement assessment, in your jurisdiction? Please pick one or more choices from the following list and provide your comments if any:

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

24. **7) (continued)** Please add comments below

25. **7) n)** Please clarify

26. **8) (a)** Is it likely that the trade mark (A) in the following scenarios would be viewed as sufficiently dissimilar from the trade mark (B), in your jurisdiction[9]?

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

[9] In a jurisdiction where absolute ground examination is not conducted in the registration application stage, you may refer to the scenario of an opposition or invalidation.

- ☒ a) No, it is definitely not a straightforward registration.
- ☐ b) Yes, it is very straightforward.
- ☐ c) It depends on the non-distinctive element.
- ☐ d) Other, please clarify.

27. **8) (a) (continued)** Please add comments below

28. **8) (a) d)** Please clarify

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

- ☒ a) No, it is definitely not a straightforward registration.
- ☐ b) Yes, it is very straightforward.
- ☐ c) It depends on the nature of the earlier mark.
- ☐ d) Other, please clarify.

30. **8) (b) (continued)** Please add comments below

31. **8) (b) d)** Please clarify

32. **8) (c) Scenario 3:** in a trade mark infringement action, a trade mark (A)[10] used by another party is a combination of a protected earlier mark (B) or a mark similar to a protected earlier mark (B) and some non-distinctive element(s). Please pick one of the following choices and provide your comments if any:

[10] In those jurisdictions in which having a registration for a trade mark is per se a sufficient and valid defence against infringement claims, please consider that trade mark (A) is not the subject of a registration or application.

- ☐ a) No, it is definitely not a straightforward infringement case.
- ☐ b) Yes, it is very straightforward.
- ☒ c) It depends on the nature of all marks/signs.
- ☐ d) Other, please clarify.

33. **8) (c) (continued)** Please add comments below

34. **8) (c) d)** Please clarify

35. **8) (d) Scenario 4:** in a trade mark infringement action, a trade mark (A)[11] used by another party consists of the distinctive elements of a protected earlier mark (B) or a mark similar to a protected earlier mark (B) which also includes some non-distinctive element(s). Please pick one of the following choices and provide your comments if any

[11] In those jurisdictions in which having a registration for a trade mark is per se a sufficient and valid defence against infringement claims, please consider that trade mark (A) is not the subject of a registration or application.

- ☐ a) No, it is definitely not a straightforward infringement case.
- ☐ b) Yes, it is very straightforward.
- ☒ c) It depends on the nature of all marks/signs.
- ☐ d) Other, please clarify.

36. **8) (d) (continued)** Please add comments below

37. **8) (d) d)** Please clarify

38. **9) (a)** Is it likely that the trade marks in the following scenarios would be found to be similar marks, in your jurisdiction^[12]?

Scenario 1: two trade marks share the same or very similar non-distinctive element but with different distinctive elements when assessing whether the later mark can be registered. Please pick one of the following choices and provide your comments if any:

[12] In a jurisdiction where absolute ground examination is not conducted in the registration application stage, you may refer to the scenario of an opposition or invalidation.

- ☒ a) No, the case law does not support a finding that they are similar.
- ☐ b) Yes, the case law would support a finding of similarity.
- ☐ c) It depends on the nature of the marks.
- ☐ d) Other, please clarify.

39. **9) (a) (continued)** Please add comments below

40. **9) (a) d)** Please clarify

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

- ☒ a) No, the case law does not support a finding that they are similar.
- ☐ b) Yes, the case law would support a finding of similarity.
- ☐ c) It depends on the nature of the marks.
- ☐ d) Other, please clarify

42. **9) (b) (continued)** Please add comments below

43. **9) (b) d)** Please clarify

II) Policy considerations and proposals for improvements of your Group's current law

44. **10)** Do you consider your Group's current law or practice relating to conflicts between composite trade marks including non-distinctive elements adequate or do you consider that the law should be changed? Please answer YES or NO and explain.

☒ Yes

☐ No

45. **10) (continued)** Please explain below

There is some legal uncertainty, as the exact test to be carried out is not precisely defined. Although the Guidelines of the Hungarian Intellectual Property Office do offer some guidance, it is not sufficiently detailed. A court decision or an official communication (e.g. a common practice) could clarify the situation, because this area of trademark law is relatively subjective and the legal situation is often unclear.

Furthermore, in the majority of the cases, the Hungarian courts will find trademark infringement even if a number of further elements with distinctive character appear in the mark found to be infringing.

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

☐ Yes

☒ No

47. **11) (continued)** Please explain below

The above-mentioned general policies with different approaches would not be appropriate. The trademark offices usually request a disclaimer from the trademark applicant e.g. if trademark protection may not be granted to non-distinctive, descriptive element(s) of the designation but this is still in the trademark registration procedure. Later, as a registered mark only courts could evaluate the effect of the registered mark whether there is any limitation of the effects of a trademark or there is any need for "disassembly" of the registered mark.

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

☒ Yes

☐ No

49. **12) (continued)** Please explain below.

It would be very beneficial, if there would be an official guideline which precisely determines the exact test to be carried out when comparing two composite signs in relation to whether the "Anti-Dissection Rule" or the "Rule of Dominant Feature" is applicable. The current Guidelines of the Hungarian Intellectual Property Office is not sufficiently detailed regarding this matter, and it applies exclusively to trademark registrations and cancellations. Although the same principles apply in trademark infringement cases as well, this fact should be clarified.

III) Proposals for harmonisation

50. **13)** Do you believe that there should be harmonisation in relation to issues regarding conflicts between composite trade marks including non-distinctive elements? Please answer YES or NO.

*If YES, please respond to the following questions **WITHOUT** regard to your Group's current law or practice.*

Even if NO, please address the following questions to the extent your Group considers your Group's current law or practice could be improved.

☒ Yes

☐ No

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

☐ a) The "Anti-Dissection Rule" should be the only rule/principle.

☐ b) The "Rule of Dominant Feature" should be the only rule/principle.

☐ c) The "Anti-Dissection Rule" should be the main rule/principle.

☒ d) The "Rule of Dominant Feature" should be the main rule/principle.

☐ e) The "Anti-Dissection Rule" and "Rule of Dominant Feature" should be equally important rules/principles.

☐ f) Other, please clarify.

52. **14) (continued)** Please add comments below

53. **14) f)** Please clarify

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

☐ a) Yes

☒ b) Yes except where justified (please clarify when it would be justified).

☐ c) No

☐ d) Other, please clarify.

55. **15) b) (continued)** Explanation

b) Such justification could be acquired distinctiveness.

56. **15) d) (continued)** Please clarify

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

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

58. **16) (continued)** Please add comments below

a) Such exceptional case could be if the mark has reputation, or if it has acquired distinctiveness. Rarely it may also be possible if it is positioned in the beginning of the mark, or in another dominant position.

59. **16) d)** Please clarify

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

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

61. **17) (continued)** Please add comments below

c) The number and the nature of these non-distinctive elements should be of importance.

62. **17) d)** Please clarify

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

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

64. **18) (continued)** Please add comments below

65. **18) d)** Please clarify

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

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

67. **19) (continued)** Please add comments below

68. **19) n)** Please clarify

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

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

70. **20) (continued)** Please add comments below

In Question 20 all of the statements a)-m) are selected by the Working Group.

71. **20) n)** Please clarify

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

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

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

73. **21)(a) (continued)** Please add comments below

74. **21) (a) d)** Please clarify

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

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

76. **21) (b) (continued)** Please add comments below

77. **21) (b) d)** Please clarify

78. **21) (c) Scenario 3:** in a trade mark infringement action, a trade mark (A)[13] used by another party is a combination of a protected earlier mark (B) or a mark similar to a protected earlier mark (B) and some non-distinctive element(s). Please pick one of the following choices and provide your comments if any:

[13] In those jurisdictions in which having a registration for a trade mark is per se a sufficient and valid defence against infringement claims, please consider that trade mark (A) is not the subject of a registration or application.

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

79. **21) (c) (continued)** Please add comments below

80. **21) (c) d)** Please clarify

81. **21) (d) Scenario 4:** in a trade mark infringement action, a trade mark (A)[14] used by another party consists of the distinctive elements of a protected earlier mark (B) which also includes some non-distinctive element(s). Please pick one of the following choices and provide your comments if any:

[14] In those jurisdictions in which having a registration for a trade mark is per se a sufficient and valid defence against infringement claims, please consider that trade mark (A) is not the subject of a registration or application.

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

82. **21) (d) (continued)** Please add comments below

83. **21) (d) d)** Please clarify

84. **22) (a)** Should the trade marks in the following scenarios be found to be similar marks?

Scenario 1: two trade marks share the same or very similar non-distinctive element but with different distinctive elements when assessing whether the later mark can be registered. Please pick one of the following choices and provide your comments if any:

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

85. **22) (a) (continued)** Please add comments below

86. **22) (a) d)** Please clarify

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

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

88. **22) (b) (continued)** Please add comments below

89. **22) (b) d)** Please clarify

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

In addition to this comprehensive comparative review by the present Study, in our view the limitation of the effects of a trademark shall be mentioned. According to Section 15 Subsection (1) Points b) and c) of Act XI of 1997 on the Protection of Trademarks and Geographical Indications, trademark protection shall not entitle the holder to prohibit any other person from using (...)

(b) signs or indications which are not distinctive from the outset or which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;

(c) the trademark for the purpose of identifying or referring to goods or services as those of the holder of that trade mark, including where the use of the trademark is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts.

This provision constitutes a difference between trademark infringement cases and trademark registration proceedings. In trademark infringement cases, other persons may not be prevented from using non-distinctive signs. On the other hand, in registration procedures, such elements may be given more weight. For instance, in Pfv.IV.20.383/2012/4, Curia held in an infringement action that where the dominant word element of a figurative mark is non-distinctive because of its descriptive character, the use of the mark can only be established if all the elements of the registered trademark appear.

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

The Working Group has one pharma in-house counsel, otherwise it consists of attorneys at law advising and representing clients in various fields of industry.