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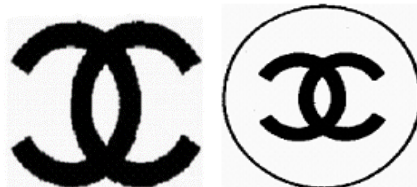
## **GCEU, T-44/20 (Chanel vs. Huawei): The correct assessment of similarity and likelihood of confusion for trademarks**

On 21 April 2021, the General Court of the European Union (“GCEU”) issued a decision about the interpretation of Articles 8(1)(b) and 8(5) of Regulation (EU) 2017/1001 on the European Union trademark (the “EUTMR”).

The case concerns an application by Huawei Technologies Co., Ltd. (the “Intervener”), filed on 26 September 2017 before the EUIPO, for the following figurative mark in Class 9 (including *inter alia* computer software):



On 28 December 2017, a notice of opposition was filed by Chanel (the “Applicant”) based on two earlier French figurative trademarks<sup>1</sup> that were registered (*inter alia*) in class 9, depicted below:



The opposition claim was based on a possible likelihood of confusion between the signs, pursuant to art. 8(1)(b) EUTMR and on the reputation of the second of the marks pictured above, pursuant to art. 8(5) EUTMR.

Indeed, the conflicting signs all represent two identical letters woven together: two Us forming an H in the case of the opposed trademark, and the two Cs in Chanel’s well-known monogram, representing the initials of the founder of the applicant company.

By a decision dated 19 March 2019, the EUIPO’s Opposition Division rejected the opposition, excluding any visual or conceptual similarity.

The Applicant filed an appeal against the decision of the Opposition Division, which was dismissed by the EUIPO Fourth Board of Appeal (“BoA”) in its decision dated 28 November 2019. The BoA found that the conflicting marks were dissimilar, thus excluding a likelihood of confusion on the part of the relevant public,

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<sup>1</sup> French trademarks nos. 3977077 of 24 January 2013 / 17 May 2013 for goods in classes 1, 3, 4, 5, 6, 8 to 16, 18, 20 to 28, 32 to 45 and 1334490 of 11 December 1985 / 11 December 2025, for goods in classes 1 to 34; source INPI, bases-marques-inpi.fr

within the meaning of art. 8(1)(b) EUTMR, and that art. 8(5) is not applicable, since the first of the conditions for its application (i.e. the identity or similarity of the signs) was not satisfied in the present case.

In this context, the Applicant resorted to the GCEU, seeking the annulment of the Board of Appeal's decision. In support of its claim, the Applicant alleged the violation of art. 8(5) and art. 8(1)(b) of the EUTMR.

With regard to the assessment of the claim pursuant to art. 8(5) EUTMR, the General Court recalled that, in order for an earlier trademark to be afforded the broader protection under art. 8(5) EUTMR, three conditions must be fulfilled, which are cumulative:

(i) the marks must be identical or similar;

(ii) the earlier mark must have a reputation; and

(iii) there must be a risk that the use of the trademark applied for would take unfair advantage of the distinctive character or the reputation of the earlier trademark, or be detrimental to it.

Concerning the first element, the comparison between the marks, Chanel had argued that it was permissible to rotate the marks in question for this analysis, with the result that the mark applied for and Chanel's reputed mark would be similar to an "*average to high degree when the mark applied for is rotated by 90 degrees*". However, the General Court rejected this argument, confirming that trade marks should always be compared as applied for and registered.

Indeed, the General Court noted that also according to the applicable case-law, comparison of the signs must be made on the form in which the marks were registered or as they appear in the application for registration in order to avoid any uncertainty, irrespective of any possible modification in their actual use on the market.

Thus, despite the fact that the marks at issue do share certain characteristics (namely a black circle, two interlaced curves surrounded by the circle, which are also black, intersecting in an inverted mirror image, and a central ellipse, resulting from the intersection of the curves), upon a global assessment, the marks are visually different. As a result, the applicant's plea under art. 8(5) EUTMR was rejected.

Turning to the applicant's second plea, based on the alleged likelihood of confusion pursuant to art. 8(1)(b) EUTMR, the Court assessed the intervener's trade mark application and Chanel's trade marks, coming to the same conclusions, thus finding that the marks are overall dissimilar and confirming that the EUIPO was right in rejecting the opposition.

In the light of the above, the General Court dismissed the action brought by Chanel in its entirety.