# Blow for Rolex in crown device dispute

Maria Athanassiadou
*Dr Helen G Papaconstantinou and Partners Law Firm*
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- **Rolex opposed the registration of a figurative mark representing a crown in Class 25 based on earlier figurative marks representing a crown in Class 14**
- **The Board of Appeal of the EUIPO rejected the opposition under Articles 8(1)(b) and 8(5), and the General Court confirmed**
- **Among other things, the court reiterated that jewellery and watches one the one hand, and clothing on the other, could not be regarded as similar**

In ***Rolex SA v European Union Intellectual Property Office*** (EUIPO) (Case T-726/21, 18 January 2023), the Fifth Chamber of the General Court has dismissed an action brought by Rolex SA seeking annulment of a decision of the Fourth Board of Appeal of the EUIPO of 25 August 2021 (Case R 2389/2020-4).

**Background**

In November 2014 Danish company PWT A/S obtained International Registration No 1263679, consisting of the following figurative sign and designating the European Union. The mark covered, among others, clothing, footwear and headgear in Class 25.

In June 2016 Rolex opposed said trademark before the EUIPO as regards the aforementioned goods, relying on the following earlier trademarks - No 1456201 (figurative) and No 1455757 (composite) - both covering, among others, “watches” in Class 14:

The grounds relied on in support of the opposition were those set out in Articles 8(1)(b) and 8(5) of Regulation 207/2009.

Upon invitation by the EUIPO, Rolex submitted proof of genuine use. The opposition was upheld in October 2020 on the basis of Article 8(5).

PWT appealed the decision. The Board of Appeal upheld the appeal, concluding as follows:

- As regards the Article 8(1)(b) claim, the watches in Class 14 were not similar to clothing, footwear and headgear in Class 25 and, therefore, there was no likelihood of confusion.
- As regards the Article 8(5) claim, the reputation of the earlier purely figurative mark was not established and that of the earlier composite mark was established for wrist watches.
- There was a very low degree of visual similarity, it was impossible to make a phonetic comparison and the conceptual similarity resulting from the common presence of a crown had a very limited impact, resulting in the absence of a risk of injury to the reputation of the earlier composite mark.

**Appeal to the General Court**

Rolex appealed the General Court, complaining that the Board of Appeal had:

1. incorrectly ruled that there were no similarities between the goods at issue and found that there was no likelihood of confusion, and had compared the goods without taking into account their usual origin or the market practice related to them, especially as they belong to proximate market segments and their purchase is motivated by the search for an aesthetic complementarity; and
2. infringed Article 8(5) of the regulation in that it had erred in its assessment of the similarities of the marks at issue and had not found that the use of the contested trademark would take unfair advantage of, or would be detrimental to, the distinctive character or the repute of the earlier composite mark.

**General Court decision**

Examining the first plea, the General Court Court rejected Rolex’s argument that the Board of Appeal had erred in not expressly mentioning the supposed proximity of the market segments to which the goods at issue belonged, referring to established case law whereby jewellery and watches, even precious stones, on the one hand, and clothing on the other, could not be regarded as similar. The court added that the fact that, in the luxury goods sector, the goods are sold under well-known brands of designers and manufacturers, and watches are also offered by clothing manufacturers, did not show that the goods at issue were in competition with each other. It further stated that, although the goods at issue were sold in the same commercial establishments, such as department stores, this did not automatically lead to the conclusion that consumers might believe that they were of the same origin.

The General Court also stressed that, in opposition proceedings, the comparison of the goods must concern the description of the goods covered by the marks at issue and not the goods for which the marks are actually used. It was not apparent from the descriptions of the goods at issue that they were expensive and high-end goods and, in the absence of any relevant specific information to the contrary, such goods could not necessarily be considered to be expensive or luxury items. In the light of the above, the General Court upheld the ruling of the Board of Appeal that there was no likelihood of confusion on the part of the relevant public within the meaning of Article 8(1)(b) of the regulation.

Turning to the second plea, the General Court held that, for the purposes of Article 8(5) of the regulation, while the owner of the earlier mark may not have to prove actual and present injury to its mark, it must however demonstrate that there is a serious risk that such injury will occur in the future. The Board of Appeal had found that Rolex had not submitted observations to this purpose, but had relied on its earlier argument before the Opposition Division that PWT could take unfair advantage of the degree of recognition of its earlier composite mark due to the fact that the marks at issue were almost identical and due to the immense reputation acquired by its earlier marks, which, according to Rolex, conveyed images of prestige, luxury and an active lifestyle. However, according to the Board of Appeal, Rolex had referred only to the wording of Article 8(5) and had not provided any arguments showing why one of the alleged injuries would occur.

The General Court rejected Rolex's arguments contesting the findings of the Board of Appeal - namely, that:

- the board had acknowledged the reputation of its composite mark for "wrist watches" in Class 14, implicitly recognising that the mark had an economic value which was independent and separate from the goods it covered;
- the reputation of a mark is generally the result of significant effort and investment of its owner; and
- the board was wrong in finding that Rolex had not stated the reasons as to why any injuries would occur.

The General Court commented that Rolex had not identified the risk of injury to the reputation of its earlier mark and that its arguments did not establish the existence of proof of such risk. The court accepted that Rolex could rely on references to extracts from its observations before the Opposition Division; however, these had a purely evidential and instrumental function, and were insufficient to serve as a basis for developing a plea.

Finally, the General Court found that Rolex had neither proved nor even claimed that its complaint against the Board of Appeal's finding that the reputation of the earlier figurative mark had not been established resulted from matters of law or fact that came to light in the course of the proceedings, which made it clear that Rolex's argumentation related only to its composite mark and not to the figurative one.

The General Court thus confirmed the decision of the Board of Appeal and rejected the action in its entirety.


## Maria Athanassiadou

Author | Partner

**m_athanasiadou@hplaw.biz**

Dr Helen G Papaconstantinou and Partners Law Firm


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