

EUIPO provides clarification on similarity assessment for trademarks covering virtual goods

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- Goods or services are not regarded as being similar to, or dissimilar from, each other on the grounds that they appear in the same or different Nice classes
- That virtual goods may depict, emulate the functions or be the virtual equivalent of real-world goods is not in itself sufficient to establish identity or similarity to real-world counterparts
- When the comparison of goods and services involves virtual goods, this implies the application of similarity criteria in novel situations that for now cannot be regarded as well known and must be supported by substantive evidence

On 8 July 2024, in *Artessence FZC v Vinicio SRL*, the EUIPO Opposition Division issued its decision in an opposition filed by the owner of the trademark INITIO (see below) against an application for VINICIO (Application No 18,790,458, see below) filed for various cosmetic products in Class 3 and for retail services relating to the same cosmetic products in Class 35.

Opponent's mark	Applicant's mark
	

The opponent invoked Article 8(1)(b) of the EU Trademark Regulation (ie, likelihood of confusion on the grounds of similarity between the signs).

Decision

Contested goods and services

The opponent's trademark was registered for cosmetic products in Class 3, which the EUIPO found to be identical or similar to the applicant's trademark in Class 3. The opponent also contested the similarity of its products in Class 3 with the retail services relating to cosmetics in Class 35 of the contested mark.

In its reasoning, the Opposition Division specified that, according to Article 33(7) of the EU Trademark Regulation, goods or services are not regarded as being similar to – or dissimilar from – each other on the ground that they appear in the same or different Nice classes.

Instead, the relevant factors include:

- the nature and purpose of the goods or services;
- the distribution channels;
- the sales outlets;
- the producers;
- the method of use; and
- whether they are in competition or complementary.

In the case of services that consist exclusively of the sale of goods (eg, the contested retail services in Class 35), the cosmetic goods involved:

- are commonly offered for sale in the same shops;
- belong to the same market sector; and
- therefore, are of interest to the same consumers.

Therefore, the EUIPO considered the applicant's retail services relating to cosmetics similar, albeit to a low degree, to the opponent's cosmetics in Class 3.

The most interesting part of the decision, however, concerns a specific part of the services in Class 35 of the applicant's trademark – namely, retail services in Class 35 covering virtual goods, which are the counterparts of the real-world goods in Class 3.

The EUIPO reasoned that virtual goods are non-physical items intended for use in the course of trade in online or virtual environments. They may perform various functions; for instance, they may:

- depict real-world goods;
- emulate the functions of real-world goods; or
- represent objects with no equivalent in the real world.

Given the novelty of the aspects related to virtual goods, it cannot be assumed that a certain market practice has yet been established in this field. Therefore, facts related to virtual goods for use online and in virtual environments cannot be defined as well-known facts.

Consequently, it is crucial that parties provide arguments and evidence showing in which respects their goods and services are similar.

In this case, the Opposition Division found that the opponent offered no argument or evidence that could suggest:

- whether the virtual and real goods at issue were complementary;
- whether they were distributed through the same channels; or
- to what extent they could target the same relevant public.

Comparison between signs

Concerning the comparison between the signs, the Opposition Division focused on the French-speaking part of the public, as a likelihood of confusion for only part of the relevant public of the European Union is sufficient to reject a contested application.

According to the EUIPO, the signs were visually similar, albeit to a below-average degree, aurally highly similar and conceptually meaningless, in their dominant verbal elements, in French-speaking countries.

The EUIPO therefore found a likelihood of confusion between the trademarks and considered the opposition well founded on the basis of the opponent's EU trademark for:

- all the goods in Class 3; and
- part of the services in Class 35, with the exception of retail services relating to virtual goods, which were considered dissimilar to the earlier mark, in the absence of substantial evidence to the contrary.

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