**Decision No. 2476/2006 issued on 15 November 2006**

**Case No. 680/28.7.2005**

1. Appeal/Reversal
2. National procedures

PRECIS: The Athens Administrative Court of Appeals has set new precedent in the issue of ex officio refusals of trademark applications when they conflict with prior registered rights. Up to now, if a trademark application conflicted with a prior registered mark, even if the latter was registered in the name of a company that belonged to the same group of companies as the applicant, the trademark application was nevertheless ex officio refused on the ground of public interest and avoidance of confusion to the public, despite also the furnishing of a letter of consent from the owner of the prior trademark. In effect, the foregoing practice has thus far been forcing trademark applicants to dedicate a specific entity within their group in whose name the same or similar trademark applications would be filed, in order to avoid suffering cost and delay in ex officio refusal proceedings. For the first time ever, the Court of Appeals has decided to make a significant turn and in a pioneer decision changed the above practice in favour of the trademark applicant.

**Ex officio refusal of trademark application on the ground that it conflicts with prior registered mark(s), despite consent of prior trademark's owner and despite the fact that both owners belonged to the same group of companies, reversed by Athens Administrative Court of Appeals in KINDER MERENDERO matter.**

SOREMARTEC S.A. a Belgian company which belongs to the FERRERO GROUP, applied to register the trademark KINDER MERENDERO, covering goods in class 30.

Both the Trademark Committee and the Athens Administrative Court of First Instance refused the application on the ground that its dominant element was

the word KINDER which directly conflicted with the prior registered mark KINDER, in the name of FERRERO S.p.A. covering identical goods in class 30, despite the latter company's Letter of Consent and evidence produced regarding the fact that SOREMARTEC S.A. and FERRERO S.p.A. belong to the same group of companies.

The Applicant lodged an Appeal and the Athens Administrative Court of Appeals in a very significant ruling reversed the two previous decisions and decided in favour of the applicant.

The rationale of the Court of Appeals was quite concise, as it also took into account several well-known decisions of the ECJ such as the Cannon matter C-39/97 on the issue of likelihood of confusion and the interpretation of Directive 89/104 and the IHT matter C-9/93 on the issue of freedom of movement of goods in conjunction with trademark protection.

It determined that the previous interpretation of article 4 para. 1 (regarding the bar to registration of similar trademarks covering identical goods), of the Greek Trademark Law No. 2239/1994, was erroneous when it comes to companies belonging to the same group and when explicit consent by the prior trademark's owner was given, and that the waiver of the bar to registration called for by article 4 para. 4 of the same law (which provides for a potential waiver of the bar in the event a letter of consent is furnished, unless there are public interest and risk of confusion considerations) had been thus far misconstrued.

According to the Court of Appeals, the spirit of the Greek Trademark Law purely aims to deter the registration of trademark applications that are likely to cause confusion to the public. Such a provisional risk cannot encompass situations where the two conflicting marks are owned by companies which belong to the same group. In principle there can be no such risk of confusion on such cases as there is a financial nexus between the respective companies,

which per se guarantees the ability to apply a uniform quality control of the products bearing the similar marks. In effect, in such cases there can be no direct or indirect risk of confusion to consumers, given the Court's global assessment of the status of two companies belonging to the same group, as being integral parts of a single undertaking with the same objectives and the same modus operandi.

The Court further implied that the internal corporate assignment of which corporate entity, within the same group of companies, would be responsible for registering which trademark of the said group, remains within the absolute discretion of the said group, as it falls within their freedom to operate. Any decision to the contrary would in effect impose undue restrictions on this corporate liberty, which have no real substantive grounds to exist, and certainly pay no extra service to the consumer.

It is expected that the above decision will serve as very useful precedent for similar matters in Greek jurisdiction.

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