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## UIBM's novel approach to finding sufficient spread between SPREAD and SPREAD

In its March 21 2016 decision in *Trust Monti Fonti and Saldarini 1882 v Arboritanza Gianmarco (807/2013)*, the Italian Patent and Trademark Office (UIBM) used a new approach for assessing the likelihood of confusion between trademarks that borrows many features from the general rules of language development.

### Facts

On January 11 2013 Gianmarco Arboritanza, Giovanni Maurella, Francesco Monte and Michele Natuzzi filed an Italian trademark application to register the following mark for goods and services in Classes 25, 38 and 43.

On June 13 2013 Trust Monti Fonti and Saldarini 1882 filed an opposition against the registration of the contested trademark.

The opposition was directed against goods in Class 25 and based on an Italian trademark registration (1543460) filed on October 24 2012 and granted on May 16 2013 for the following mark for goods in Class 25.



The opponents requested that the contested trademark be rejected based on a likelihood of confusion due to the similarity of the trademarks and the identity of the designated goods.

The applicants did not reply.

## **UIBM decision**

On March 21 2016 the UIBM ruled on the opposition and found no likelihood of confusion between the marks. The examiner based its decision on the following grounds, some of which constitute a new approach in Italy:

- The goods in Class 25 designated in the contested trademark application and the earlier trademark were identical.
- The designated goods were directed to the public at large and the degree of attention was considered normal and thus did not significantly affect the likelihood of confusion.
- The opponents' earlier trademark was a complex trademark that consisted of the verbal element SPREAD positioned on a graph with a red arrow, and the figurative and verbal elements represent a hypothetical diagram of a spread. In contrast, the contested trademark was a figurative trademark in which the word spread presents various graphic alterations:
  - the letter 'S' calls to mind the dollar sign;
  - the penultimate letter 'A' is substituted by the delta sign in a different colour; and
  - the remaining letters have an interrupted space at the top.
- The contested trademark presented a highly significant graphic stylisation.
- The trademarks must be compared as a whole and the analysis must include an overall assessment aimed at determining the dominant element.
- The parties' trademarks were neither identical nor similar. The denotative aspect of the opponents' earlier trademark (ie, the representation of a hypothetical graph of the spread) did not exist in the applicants' figurative trademark, which was connoted by an original and particular variation of a common word.
- No visual, aural or conceptual similarities existed – the earlier trademark was a defined form with a general character and was easily recognisable.
- While the word spread is non-descriptive, it is widely used to identify financial differentials and in common parlance.
- The average consumer rarely had the opportunity to directly compare the different marks; rather, he or she had to rely on an imperfect mental picture of the marks. However, in the case at hand, the visual difference in the two forms of the marks excluded any possibility of an associative nexus.
- Even if the goods were identical and both marks referred to the word spread, there was no likelihood of confusion as to the origin of the goods at issue.

## **Comment**

The examiner's reasoning somewhat diverges from the standard practice of both the UIBM and the EU Intellectual Property Office when comparing trademarks that include the same distinctive word.

In principle, standard practice dictates that when trademarks have both verbal and figurative components, the verbal element should have a stronger impact on the consumer.

Moreover, in determining the likelihood of confusion, the comparison of the conflicting marks must be based on the overall impression given by the marks – particularly their distinctive and dominant components.

Further, when figurative and verbal elements of trademarks refer to the same concept or idea, it usually increases the likelihood of confusion.

However, in the decision at hand, the examiner used a more sophisticated approach.

The examiner did not deny that the earlier trademark was inherently distinctive, but noted that this alone was insufficient to infer a likelihood of confusion. Considering the structure of the marks being compared, the examiner stated that the earlier trademark consisted of the representation of a denotative identity, which was constituted by a hypothetical diagram of a spread. In contrast, the contested trademark consisted of a graphically stylised representation of the word spread, which was far removed from the technical-financial context.

The examiner further referred to the general rules of language development, which exclude the existence of a semiological identity where the semantic aspect of a word is far from the syntactic unit of origin.

The examiner also focused on the denotative and connotative aspects of the trademarks: the earlier trademark denotes the representation of a hypothetical graph of the spread, while the contested trademark is connoted by an original representation of a common word.

While this approach is unusual and somewhat debatable, it undoubtedly opens the door to new ways of assessing the likelihood of confusion between trademarks.

Trust Monti Fonti and Saldarini 1882 have filed a notice of appeal against this decision.

It will be interesting to see how the Italian Board of Appeal will consider this issue: will it overrule or confirm the UIBM's new approach?

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