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21 March 2006

A Legal Update from Dechert's Intellectual Property Group

Art for Art's Sake? Picasso Loses Trademark Battle

The European Court of Justice recently ruled that the estate of the painter Pablo Picasso cannot prevent Daimler Chrysler from using the trade mark "PICARO" in a case that may have widespread implications for celebrities who want to use their name for a broad range of products.

Background

In September 1998, Daimler Chrysler applied for a Community Trade Mark for the word "PICARO" for "*vehicles and parts thereof, omnibuses*". The application was opposed by the estate of the late painter Pablo Picasso, which relied on an earlier registered Community trade mark for "PICASSO" for "*vehicles; apparatus for locomotion by land, air or water, motor cars, motor coaches, trucks, vans, caravans, trailers*". The Picasso estate claimed that because the marks were similar and the goods for which Daimler Chrysler had applied for "PICARO" were also similar (and partially identical), there was a likelihood of confusion among the public.

The Appeal

The Picasso estate had lost at all earlier stages of the proceedings right up to the European Court of Justice (ECJ). Prior to the ECJ hearing, the European Court of First Instance (CFI) had held that:

- the respective marks were visually and phonetically similar but the degree of phonetic similarity was low;
- the marks were not conceptually similar because the reputation of PICASSO is not principally as a mark for motor vehicles. This conceptual difference counteracted any visual and phonetic similarities;
- the likelihood of confusion was also reduced because, given the nature of the goods at issue (i.e. cars) and their highly technological character, the public have a particularly high degree of attention to details such as the name when they purchase cars (and hence are more finely tuned to slight differences in brand names);
- while the more highly distinctive a mark, the broader the protection it enjoys, the word PICASSO had inherent distinctiveness in respect of the late painter and not necessarily in respect of motor cars.

The ECJ dismissed the Picasso estate's appeal from the CFI on all grounds, raising the following issues:

Conceptual Difference

The Picasso estate argued that, when looking at whether there was a conceptual difference between PICASSO and PICARO, the CFI should have looked only at PICASSO as it had been applied to cars and the way those cars were marketed. The ECJ disagreed, concluding that:

"*the relevant public inevitably sees (PICASSO) as a reference to the painter and, given the painter's renown with that public, that particularly rich conceptual reference is such as to greatly reduce the resonance with which the sign is endowed as a mark of motor vehicles*".

Distinctive Character

The Picasso estate claimed that the CFI failed to consider the inherent distinctiveness of PICASSO as applied to cars (rather than just generally). The ECJ felt that the CFI had not only considered this issue but had also decided that PICASSO did not have a highly distinctive character with respect to motor vehicles. As this was a decision of fact by the CFI, the ECJ could not review this decision. In its decision, the CFI had said that PICASSO "*is well known as the name of a famous painter*". However, the ECJ felt that the CFI had also considered by implication its distinctiveness in relation to motor cars.

The Public's Level of Attention

The Picasso estate argued that to assess the likelihood of confusion, the CFI should have taken account not just of the consumer's level of attention at the time of purchasing the relevant goods but also their level of attention both before and after the purchase. Their basis for this was the *Arsenal Football Club* case (2002) in which the ECJ had taken into account the possibility that consumers would come into contact with goods bearing the mark after they had been sold. In the Arsenal case, a trader outside their ground sold clothing with the Arsenal logo on. His stall had a large sign telling customers that he was not an official authorised seller. However, for the purposes of infringement, the ECJ had said that the court should take into account subsequent situations where the disclaimer sign was not present, such as where consumer come across the goods after they have been sold. The ECJ gave the estate's argument short shrift by pointing out that the *Arsenal* case was not looking at post-purchase levels of attention in order to assess the likelihood of confusion but rather was looking at the issue of infringement.

Conclusion

The Picasso case is likely to make it more difficult for celebrities or those with famous names to assume a wide level of trade mark protection across a broad spectrum of goods and services. Both the CFI and ECJ blurred the issue of whether they were assessing the distinctiveness of PICASSO generally or whether they had considered it in relation specifically to cars. What is clear is that a celebrity with a well-known name may now find it more difficult to object to the use of a trade mark which is relatively close to their own. The fact that they have a famous surname is likely only to give them strong protection in relation to the field in which they themselves operate. Here, PICASSO was distinctive in the world of art, not in the field of motor cars. Celebrities wishing to start their own lines of perfume, lingerie or scooters may want to take note.

Practice group contacts

For more advice on any of the above, please contact either of the lawyers listed or the Dechert lawyer with whom you regularly work.

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