

CONCLUSIONS

1. AI and automated decision making — “High Risk”

In Conclusion 6 of our Meeting in 2024 (Riga) we noted that AI systems intended to be used “*to assist a judicial authority in researching and interpreting facts and the law and in applying the law to a concrete set of facts, or to be used in a similar way in alternative dispute resolution*” are “High Risk AI Systems” as defined in Art. 6(2) and para. 8(a) of Annex III to the Artificial Intelligence Act (Regulation (EU) 2024/1689).

In terms of Arts 3(2) and 6(3) of the Regulation, this means that “*the combination of the probability of an occurrence of harm and the severity of that harm*” is regarded as liable to “*pose a significant risk of harm to the ... fundamental rights of natural persons, including by ... materially influencing the outcome of decision making*”.

It is clearly necessary for courts and tribunals to address that risk by ensuring that their rules and procedures are effective for the purpose of enabling misuses of AI to be identified, challenged and remedied.

We think that the development and implementation of such rules and procedures must now be accelerated in order to maintain meaningful and effective human oversight in relation to decision making and the substantive determination of legal rights in the face of rapidly increasing and rapidly expanding use of AI. It appears to us to be inevitable that new rules and procedures will be required for that purpose.

2. AI and automated decision making — “Transparency”

The Court of Justice has recently re-affirmed its established case-law to the effect that the General Data Protection Regulation (“**GDPR**”) (Regulation (EU) 2016/679) applies to the processing of personal data carried out by judicial authorities: Joined Cases C-313/23, C-316/23 and C-332/23 Inspektorat kam Visshia sadeben savet EU:C:2025:303 at [99].

It follows that the judicial authorities must be able to demonstrate that their activities are carried out in compliance with the requirements of Arts. 5 and 6 of the GDPR: Case C-634/21 SCHUFA Holding AG EU:C:2023:957 at [67]. That

includes, in particular, compliance with the requirement in Art. 5(1)(a) for personal data to be processed “*lawfully, fairly and in a transparent manner*”.

Recital [20] of the GDPR recognises the need “*to safeguard the independence of the judiciary in the performance of its judicial tasks, including decision-making*”. It envisages that: “*It should be possible to entrust supervision of such data processing operations to specific bodies within the judicial system of the Member State, which should, in particular ensure compliance with the rules of this Regulation, enhance awareness among members of the judiciary of their obligations under this Regulation and handle complaints in relation to such data processing operations.*”

We think it is advisable for the supervising bodies envisaged by Recital [20] to comply with Art. 5(1)(a) by establishing and publishing parameters for the use of AI in the performance of judicial tasks so that citizens can have a clear understanding of the ways in which they and their cases are being subjected to AI assisted judicial decision-making. The parameters should be identified and defined in general terms, without mandating any derogation from the secrecy of judicial deliberations in individual cases.

3. Differentiating between individual marks, certification marks and collective marks

In Conclusion 7 of our Meeting in 2017 (Leiden) we noted that the CJEU seems to have adopted:

- (i) a strict requirement for separate categorisation of ‘individual marks’ and ‘certification marks’, with use for the purpose of certifying composition or quality not being sufficient, in and of itself, to satisfy the requirement for use of an ‘individual mark’: Case C-689/15 W.F. Gozze Frottierweberei GmbH EU:C:2017:434 at [41]-[46]; and
- (ii) a strict requirement for separate categorisation of ‘collective marks’ and ‘geographical indications’, with use for the purpose of guaranteeing collective commercial origin being necessary — and use for the purpose of guaranteeing collective geographical origin not being sufficient — to satisfy the requirement for use of a ‘collective mark’: Joined Cases C-673/15P to C-676/15P The Tea Board EU:C:2017:702 at [49]-[63].

These Judgments have the capacity to create significant legal and administrative difficulties for economic entities and economic operators whose actual arrangements for ownership and exploitation of trade marks cannot easily or with complete certainty be placed within one rather than another of these separate categories.

It is particularly difficult to know how to assess and determine whether a sign graphically represented in an application for registration does or does not possess the ‘right type of distinctive character’ (as required by the case-law noted above) to be validly registered as a certification trade mark. This is an aspect of the system for obtaining trade mark protection by registration which, in our view, needs to be clarified and explained in more detail by the Court of Justice.

4. The burden of proof in relation to exhaustion

In Conclusion 8 of our Meeting in 2018 (Vienna) we noted that the CJEU had re-affirmed in Case C-291/16 Schweppes S.A. EU:C:2017:990 at [51]-[54] that in order to guard against the risk of artificial partitioning of the internal market, the claimant in an action for trade mark infringement concerning the parallel importation of goods can be required to prove that his rights have not been exhausted in relation to the goods in question.

It was subsequently confirmed in Case C-175/21 Harman International Industries Inc EU:C:2022:895 at [56]-[73] that “*it may be necessary*” to reverse the burden of proof to the extent that it appears from the specific circumstances relating to the marketing of the goods that requiring the defendant to prove exhaustion would be “***liable to allow the trade mark proprietor to partition national markets and thus assist the maintenance of price differences between Member States***”.

The recent Judgment in Case C-367/21 Hewlett Packard Development Company LP EU:C:2024:61 envisages reversal of the burden of proof “*where the defendant to the action for infringement manages to establish that there is **a real risk** of partitioning of national markets*” [60] and placing the burden of proof on the defendant “***could allow the proprietor to oppose parallel imports of the goods bearing that trade mark, even though the resulting restriction on the free movement of goods would not be justified by the protection of the rights conferred by that mark***” [63].

We wish to repeat the view we expressed in Conclusion 8 of our Meeting in 2018 (Vienna): for the purpose of implementing these principles and making a fair and effective determination of the rights of the parties in such situations, it is necessary to have court procedures in place which each side can use to obtain relevant evidence and information from the other (subject to protection of confidentiality) with regard to the actualities — not simply the contractual framework — of their respective business operations in relation to the goods concerned.

It appears to us that the Member States are required to make such procedures available within the framework of the mandatory provisions of Article 6 (*‘Evidence’*) and Article 7 (*‘Measures for preserving evidence’*) of the Enforcement Directive (2004/48/EC).

5. The “acquiescence” defence

It was confirmed in Case C-452/24 Lunapark Scandinavia Oy Ltd v Hardeco Finland Oy (DRACULA) EU:C:2025:618 that inactivity on the part of a trade mark proprietor cannot preclude enforcement of his exclusive right to protection in circumstances other than those specified in the EU legislative provisions relating to “acquiescence”.

There is nothing particularly surprising in the ruling that principles of national law cannot add to or subtract from the operation and effect of the EU legislative provisions.

We note that it would have been open to the referring Court under national law to dismiss the claim for enforcement in that case if it concluded that the trade mark proprietor had not applied to prohibit the defendant’s use of the protected trade mark within a reasonable time after becoming aware of it.

If and to the extent that this was not an available conclusion under the EU legislative provisions relating to “acquiescence”, we would see that as an indication that the EU law requirements for a finding of “acquiescence” ought to be adjusted to make them more flexible and commercially fairer than they presently are.

6. Concurrent and cumulative protection and enforcement of IP rights.

There does not appear to us to be any rule of law precluding concurrent and cumulative protection and enforcement of intellectual property rights within the parameters set by EU legislation for the availability, scope and use of such rights compliantly with the ‘General Provisions and Basic Principles’ set out in Part I (Articles 1-8) of the TRIPs Agreement and Arts. 17, 47 and 52 to 54 of the EU Charter of Fundamental Rights.

The CJEU emphasised in Case C-237/19 Gomboc EU:C:2020:296 at [48] – [62] that EU intellectual property law does not prevent the coexistence of several forms of legal protection, with the result that the rules of EU law concerning the registration of designs and those applicable the registration of trade marks are to be regarded as independent without any hierarchy existing as between them. The principle of coexistence of legal protection is also recognised in other Judgments of the Court.

The ‘General Obligation’ set out in Art. 3 of the Enforcement Directive (2004/48/EC) nevertheless requires the measures, procedures and remedies for the enforcement of intellectual property rights to be applied *“in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.”*

We would expect this to be the mechanism by means of which any irreconcilable conflicts resulting from the concurrent and cumulative protection and enforcement of different intellectual property rights would need to be resolved.

It remains necessary, in our view, for the CJEU to provide the Member States with clear guidance as to the test to be applied for the purpose of determining whether a claim for unfair competition can and should be rejected for being incompatible with the limitations and exclusions which apply to the protection of intellectual property rights under EU law.