

## **RIGA, SEPTEMBER 2024**

*For 25 years, around 25 judges from 19 European countries (not just the EU) and from the EU General Court who are involved in trade mark proceedings have met annually for two and a half days. They form the Circle of European Trademark Judges - CET-J, see [www.cet-j.org](http://www.cet-j.org). The meeting consists of an intensive exchange and discussion of national case law, the ECJ's rulings, and emerging legal issues, followed by a summary. This is intended to promote the respective discourse within the judiciary on problematic legal issues in Europe and their views in terms of the further development of harmonised case law. The 2024 Annual Conference in Riga included the following*

### **CONCLUSIONS**

#### **1. Objections to registration under Art. 7(1)(a) EUTMR 2017 and Art. 4(1)(a) TMD 2015**

We consider that EU trade mark courts and tribunals can and should adopt a stricter and stronger approach to the exclusion of signs from registration under Art. 7(1)(a) EUTMR and Art. 4(1)(a) TMD.

Art. 4 EUTMR and Art. 3 TMD require “*the signs of which a trade mark may consist*” to be “*capable of: (a) distinguishing the goods or services of one undertaking from those of other undertakings; and (b) being ... represented on the [register] ... in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.*” Signs which do not meet those requirements are absolutely excluded from registration by Art. 7(1)(a) EUTMR and Art. 4(1)(a) TMD.

In relation to the operation of that exclusion, the Judgment of the Court of Justice in Case C-299/99 Philips Electronics NV v Remington Consumer Products Ltd EU:C:2002:377 substantively confirmed at paras [29] to [46] that:

- (i) if a sign is not in fact “*capable of distinguishing*” for the purposes of the objection to registration contained in Art. 7(1)(a) EUTMR / Art. 4(1)(a) TMD, it cannot be found to possess “*a distinctive character*” for the purposes of the objections to registration contained in Arts 7(1)(b) - (d) and 7(3) EUTMR / Arts 4(1)(b) – (d) and 4(4), 4(5) TMD; and

- (ii) if a sign is not in fact excluded from registration by Arts 7(1)(b) – (d) and 7(3) EUTMR / Arts 4(1)(b) – (d) and 4(4), 4(5) TMD for being “*devoid of any distinctive character*”, it cannot be excluded by Art. 7(1)(a) EUTMR / Art. 4(1)(a) TMD for not being “*capable of distinguishing*”.

However, the need to avoid logically inconsistent determinations in accordance with the Judgment in Philips does not eliminate the legal requirement to consider whether a sign is “*capable of distinguishing*” for the purposes of Art. 7(1)(a) EUTMR / Art. 4(1)(a) TMD whenever the question arises.

The General Court has escalated that question for consideration by deciding that it is necessary, on a systematic interpretation of the applicable legislative provisions, to be satisfied that a sign is “*a sign of which a trade mark may consist*” in accordance with the requirements of Art. 4 EUTMR / Art. 3 TMD (and is therefore unobjectionable under Art. 7(1)(a) EUTMR / Art. 4(1)(a) TMD) before assessing it for acceptability as a “*trade mark*” under the remaining provisions of Art. 7 EUTMR / Art. 4 TMD: Case T-487/21 Neoperl AG v EUIPO EU:T:2022:780 at [34] to [38]; Case T-124/20 M/S Indeutsch International v EUIPO EU:T:2021:668 at [46] to [48].

We note that Advocate General Pikamae supported that aspect of the reasoning of the General Court in paras [77] to [87] of his Opinion in Case C-93/23P EUIPO v Neoperl AG EU:C:2024:751 delivered on 12 September 2024 in the context of the “tactile position mark” appeal for which permission to proceed was given by the Court of Justice on 11 July 2023. He did so on the basis that Art. 7(1)(a) EUTMR / Art. 4(1)(a) TMD has priority within the framework of the absolute objections to registration.

As directed by the provisions of Art. 59(3) EUTMR and Art. 7 TMD (and also as envisaged by the Court of Justice in Philips at para. [47]) it is necessary for the eligibility of a sign for registration under Art. 7(1)(a) EUTMR / Art. 4(1)(a) TMD to be assessed and determined with reference to the particular goods or services of the registration or application for registration to which the question is specifically directed.

We think it is legitimate in line with that approach for objections to registration under Art. 7(1)(a) EUTMR / Art 4(1)(a) TMD to be stricter and stronger than EU trade mark courts and tribunals have generally been willing to recognise in the years since Philips was decided.

In summary:

- (i) “The concept of a ‘sign’ ...covers any message which may be perceived by one of the five senses”: Case C-321/03 Dyson Ltd v Registrar of Trade Marks EU:C:2007:51 at para. [30].
- (ii) However, an **origin neutral** message is not “capable of distinguishing the goods or services of one undertaking from those of other undertakings” and it lacks the **origin specific** significance presupposed by Art. 16(1) of the TRIPs Agreement as the basis for absolute trade mark protection: “In case of the use of an identical sign for identical goods or services, the existence of a likelihood of confusion shall be presumed.”
- (iii) There is no ‘Philips’ inconsistency in saying so.
- (iv) It is settled law that the assessment of signs for registrability must be stringent and full in order to prevent trade marks from being improperly registered: Case C-51/10P Agencja Wydawnicza Technopol sp. z.o.o. EU:C:2011:139 at para. [77].
- (v) From that perspective, it is wrong in principle to register **origin neutral** signs as trade marks and require economic operators to fight their way successfully through the concepts of “minimum distinctiveness,” “weak distinctive character” and “interference with protected functions” when they are subsequently faced with the prospect of enforcement of the registration against them.

## 2. Applications for registration made in bad faith

The General Court has unequivocally rejected the contention that dishonesty is not required for a finding of bad faith: Joined Cases T-281/19 and T-351/19 Republic of Cyprus v EUIPO EU:T:2021:362 at para. [127] (permission to appeal to the Court of Justice refused: Case C-538/21P); Case T-282/19 Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi EU:T:2021:154 at para. [117] (permission to appeal to the Court of Justice refused: Case C-345/21P).

Dishonest intention is explicitly identified as a mandatory factor in EUIPN Common Practice (CP.13) Trade Mark Applications Made In Bad Faith (22 March 2024): “2.4.1 Mandatory factor. 2.4.1.1 Applicant’s dishonest intention. The applicant’s dishonest intention is an essential requirement for the finding of bad faith. ...”.

It is clear that the requirement for a dishonest intention in the particular context of trade mark law is the principal limitation on the scope of the objection to registration on the basis of bad faith filing. We remain of the view that this is stricter and more specific than the doctrine of ‘abuse of right’ which exists in various different forms in the laws of the Member States: Conclusions 5 and 6 of our Meeting in 2022 (Barcelona).

The question whether the right to apply for registration has been exercised in bad faith is neither governed nor exhausted by the operation of the relative grounds of objection to registration. The pending Order for Reference from the Cour de Cassation (France) in Case C-17/24 CeramTec GmbH v CoorStek Bioceramics LLC seeks guidance as to whether the same is true in relation to the absolute grounds of objection. We do not think that bad faith filing can or should be taken to operate as a substitute for any other substantive ground of objection to registration.

### 3. Operators of online marketplaces

Paras [47] to [53] of the Judgment of the Court of Justice in Joined Cases C-148/21 and C-184/21 Louboutin v Amazon EU:C:2022:1016 do not appear to have integrated any understanding of the e-Commerce Directive exemptions from liability — only a strict need for transparency — into the mindset of the relevant internet user of online marketplaces: “*Advertisements displayed on an online sales website incorporating an online marketplace must ... be presented in a way which enables a reasonably well-informed and reasonably observant user to distinguish easily between offers originating, on the one hand, from the operator of that website and, on the other, from third-party sellers active on the online marketplace which is incorporated therein ...*” : para. [50].

In Conclusion 6 of our Meeting in 2023 (Prague) we observed that the exemptions from liability created by Arts 12 to 15 of the e-Commerce Directive (Directive 2000/31/EC), currently contained in Chapter II of the Digital Services Act (Regulation (EU) 2022/2065) are liable to be deprived of *effet utile* if the reasonably well-informed and reasonably observant internet user is not taken to be a person who understands and respects the fact that platform operators are entitled to facilitate the activities of online sellers of goods in accordance with those exemptions.

More recently in Montres Breguets S.A. v Samsung Electronics Co. Ltd [2023] EWCA Civ 1478 the Court of Appeal in England gave full effect to the reasoning of the Judgment of the Court of Justice in Louboutin as a basis for rejecting Samsung’s defence that it had not used the trade marks carried by watch face apps sold by third-party developers on the Samsung Galaxy App Store website.

It seems to us that having placed operators of online marketplaces in essentially the same position as organisers of indoor markets (in Case C-494/15 Tommy Hilfiger Licensing LLC v Delta Center a.s EU:C:2016:528), the case law of the Court of Justice may now have added a condition for claiming the e-Commerce Directive exemptions from liability which requires operators and organisers to negate infringement by clearly and unambiguously separating themselves in the perceptions of internet users / consumers from involvement in the third-party trading activities for which exemption is claimed.

#### 4. Injunctions

The Enforcement Directive (Directive 2004/48/EC) requires interim and final injunctions under Arts 9(1)(a) and 11 to be granted in conformity with the General Obligation set out in Art. 3: “(1) ... *Those measures, procedures and remedies shall be fair and equitable and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.* (2) *Those measures, procedures and remedies shall also be effective, proportionate and dissuasive and shall 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 are aware that there are significant differences and gaps in the way in which the courts of the Member States address the following matters:

- (i) should the wording of the injunction be narrowly formulated so as to be specifically aimed at the particular acts which have been proven or broadly formulated so as to cover acts of the kind generally exemplified by those particular acts ?
- (ii) should the order of the court include a mechanism enabling the claimant to apply as of right for the scope of the injunction to be widened and enabling the defendant to apply as of right for the injunction to be made narrower or discharged ?
- (iii) should the order of the court include a mechanism enabling either party to apply as of right for a non-punitive ruling as to whether doing or not doing something would or would not breach the injunction ?
- (iv) should the order of the court include any directions or requirements as to whether and, if so, how the injunction is to be applied to internet activity outside the territory of the protected trade mark registration ?

There is, in our view, a need for authoritative guidance from the supervising courts in Luxembourg as to how the requirements of the General Obligation set out in Art. 3 should be implemented in relation to these matters.

## 5. Distinctiveness

In Conclusion 1 of our 2017 Meeting (Leiden) we referred to the question whether, in order to establish distinctiveness acquired through use, it is sufficient for the applicant to prove that the sign put forward for registration is recognised and associated with its goods or services (a familiarity test) or necessary for it to prove that the relevant class of persons rely upon the sign as indicating the origin of the goods or services for which protection by registration has been requested (a reliance test).

The Judgment of the Court of Justice in Case C-215/14 Societe de Produits Nestle v Cadbury UK Ltd EU:C:2015:604 specified at para. [66] “*that for the purposes of the registration of the trade mark itself, the trade mark applicant must prove that that mark alone, as opposed to any other trade mark which may also be present, identifies the particular undertaking from which the goods originate.*”

That, in principle, requires the sign in question to be recognised and associated with the trade mark applicant’s goods or services as a means of **origin specific** identification which individualises them to the particular undertaking from which they originate.

We think that EU trade mark courts and tribunals need to keep clearly in mind that this is not simply a familiarity test

## 6. AI and automated decision making

Artificial Intelligence (AI) systems — such as those used by lexicographers — can play an important role in the compilation and collation of information about the context and manner in which marks and signs have been used by people in different areas at different points in time.

It may be tempting, but it would in our view be wrong, to use AI to perform directly or by proxy the “normative” role of the “average consumer” in trade mark law.

The evaluation of ‘*similarity*’ as between marks and signs and ‘*similarity including complementarity*’ as between goods and services goes to the degree of relatedness between them as a matter of human perception. The interplay between the visual, aural and conceptual aspects of marks and signs cannot be understood formulaically. Social, cultural, linguistic and economic factors influence perceptions organically.

We consider that EU trade mark courts and tribunals should aim to ensure that the use of AI does not transmute their processes of adjudication into automated decision making. We also note 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).