CET-J MEETING Sept.2026 — Warsaw

CONCLUSIONS

1. Scope and availability of protection under national laws of unfair competition

Art. 2(1) of the TRIPs Agreement makes it obligatory for WTO members (therefore including the EU and its Member States) to comply with Art. 10*bis* of the Paris Convention by providing "*effective protection against unfair competition*" in accordance with the broad principle that "*Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.*"

The right to bring proceedings for unfair competition under national law is a free-standing right which does not depend for its availability upon either the existence or the absence of any parallel right under the EU legislative instruments applicable to the protection of trade marks by registration. This basic concept is recognised and reflected in the proposition that use of an EU trade mark can be prohibited to the extent that the use of a national trade mark may be prohibited in civil proceedings for unfair competition under national law: Art. 137(2) EUTMR 2017.

However, there is a problem which remains to be resolved as a result of the broad scope of Art.10*bis* (as seen in the 1996 WIPO "Model Provisions on Protection Against Unfair Competition") and continuing doctrinal differences at the national level as to what can legitimately be achieved by means of an action for unfair competition in an area of economic activity with respect to which the EU has legislated for the protection of traders and / or consumers.

On one view, it is legitimate for effective protection against unfair competition to be granted in such situations without any further qualification. On another view, it is only legitimate to grant protection which is wholly complementary to the EU legislation in that area. On yet another view, the protection granted must and can only be residual in relation to the EU legislation concerned.

We consider that there is a compelling need for guidance from the Court of Justice to enable national courts to understand the approach they should adopt in relation to these questions.

2. Assessment of 'distinctive character'

We understand from the Judgment of the Court of Justice in Case C-93/23P EUIPO v Neoperl AG at [55]-[65] that there is no legal obligation when considering the absolute grounds for refusal of registration to determine whether the "*sign*" in question is "*capable of distinguishing*" so as to constitute a "*trade mark"* before determining whether it possesses a "*distinctive character*" in relation to goods or services of the kind for which registration has been requested.

In line with that approach, the decisive issue — in the absence of a claim to distinctiveness acquired through use — will usually be whether it is correct to find on "*stringent and full examination*" (Case C-51/10 P Technopol at [77]) that there would have been a real and significant tendency at the relevant date for the sign in question to

be perceived and remembered as an indication of trade origin by consumers exposed to the use of it in relation to such goods or services.

The pending reference to the CJEU in Case C-3/26 Iroda (Photorealistic Image of a Person) and the pending appeal to the General Court in Case T-137/26 Estate of Sonia Brownell Orwell v EUIPO from the Decision of the EUIPO Grand Board of Appeal in GEORGE ORWELL Trade Mark (R 2248/2019-G) each in their own way require the Court to focus on the importance of subjecting the sign in question to "*stringent and full examination*" for the purpose of deciding whether it really would be perceived and remembered by relevant consumers as an indication of trade origin so as to individualise the goods or services concerned to a single economic undertaking.

We think it is juridically important for the Judgments in those cases to provide comprehensively reasoned explanations as to why the signs in question are considered or conversely not considered by the Court to be acceptable for registration without evidence of distinctiveness acquired through use.

3. Use of AI in the assessment of 'similarity'

Both as between marks and signs and as between goods and services, the evaluation of '*similarity*' is a means to an end. It serves as a way of enabling the decision taker to decide whether there is '*similarity*' of a kind and to a degree which is liable to give rise to perceptions of relatedness in the mind of the average consumer of the goods or services concerned.

This calls for a realistic appraisal of the net effect of the similarities and differences between the marks and signs and the goods or services in issue, giving the similarities and differences as much or as little significance as the relevant average consumer (who is taken to be reasonably well-informed and reasonably observant and circumspect) would have attached to them at the relevant point in time.

Within the EU, the outcome of the assessment will often be affected by social, linguistic, cultural and economic differences between and among the Member States.

In our view, the legislatively prescribed standard for the assessment of '*similarity*' requires the decision taker to make interrelated value judgments of a kind which must not be reduced to the level of an exercise based on 'structural comparisons.' We do not agree with the suggestion — which seems to be gaining momentum — that AI can and should be used to contribute substantially more than background information to the decision taking process.

4. The 'counteraction principle'

It has been recognised in the case law of the Court of Justice that "*the conceptual differences between two signs … may counteract their visual and phonetic similarities, provided that at least one of those signs has a clear and specific meaning for the relevant public, with the result that that public is capable of grasping it immediately*": Case C-437/16P Wolf Oil Corp v EUIPO at [43] (and the case law cited).

We do not think that this can or should be regarded as a rule of law. In our view, it is the identification of a basis on which a decision taker may legitimately conclude in the case pending before them that there is no conflict because the signs in issue are **sufficiently different** from a conceptual point of view to be regarded as **insufficiently similar** from a visual or aural point of view.

What we understand the law to require is a realistic assessment of how **the interplay** between the visual, aural and conceptual aspects of the signs in issue would affect the way in which they are liable to be perceived and remembered.

5. Objections to registration based on 'accepted principles of morality'

Trade marks which are contrary to accepted principles of morality shall not be registered: Art. 7(1)(f) EUTMR 2017; Art. 4(1)(f) TMD 2015.

In Case C-240/18 P Constantin Film Produktion GmbH (FACH JU GOHTE) the Court of Justice emphasised that:

— this objection to registration requires the decision taker to find that the use of the trade mark in question would, in the concrete and current social context, be perceived by the relevant public as being contrary to the fundamental moral values and standards of society (at [41]-[43]);

— the objection must be applied in such a way as to ensure full respect for the fundamental right to freedom of expression protected by Art. 11 EU Charter / Art. 10 ECHR (at [56]); and

— full weight must be given to any evidence of the trade mark having actually been used without being perceived as morally unacceptable by the relevant public (at [68]-[70]).

The case law of the European Court of Human Rights continues to require communications which "*offend, shock or disturb*" to be protected by the right to freedom of expression under Art.10 ECHR commensurately with the "*demands of … pluralism, tolerance and broadmindedness without which there is no 'democratic society'*": recently, for example, in Miladze v Georgia (41585/23) [2026] ECHR 93 at [65]-[75] (19 May 2026).

These are not hard-edged tests. They inevitably require fact sensitive and case specific assessments. It is necessary to take account of the extent to which use of the trade mark in question may be liable to "*offend, shock or disturb*" particular groups or sections of the public. We recognise that when there is evidence of use available to be considered, the outcome of the assessment might not be the same as it would be in the absence of such evidence.

The practical problem which remains to be resolved by the Court of Justice is whether an objection to registration based on 'accepted principles of morality' can be overcome by envisaging circumstances in which the trade mark in question might be used in a context and manner which would not be taken to "*offend, shock or disturb*" to an excessive or

unjustifiable degree when judged from the perspective of Art. 11 EU Charter / Art 10 ECHR.

Subject to clarification of that point by the Court of Justice, we think that the elements of the objection to registration are coherently and satisfactorily addressed in the guidance provided by the EUIPN Common Communication on “Trade Marks Contrary to Public Policy or to Accepted Principles of Morality” (CP14, April 2024) and in the reasoning of the worked examples provided by the Decisions of the EUIPO Grand Board of Appeal in COVIDIOT Trade Mark R 260/2021-G (16 May 2024) and MARICON PERDIDO Trade Mark R 2307/2020-G (25 November 2024).

6. National limitation periods

The ruling of the Court of Justice in Case C-452/24 Lunapark Scandinavia Oy Ltd precludes the application of a general principle of national law by virtue of which a claim for infringement of registered trade mark can be rejected as a result of inactivity on the part of the proprietor in situations other than those which satisfy the requirements for a finding of “acquiescence” under Art. 9 TMD 2015 / Art. 61 EUTMR 2017.

We do not think that this ruling can or should be taken to prevent the application of national laws on limitation periods which operate consistently and compatibly with the EU law principles of equivalence and effectiveness.

We anticipate that this will be clarified in the Judgment of the Court of Justice on the questions raised by the pending reference in Case C-693/25 MPM – QUALITY a.s.