

European Union Intellectual Property Office

Grand Board of Appeal

Alicante, Spain

RE: Case R 1304/2020-G, *Der Grüne Punkt Duales System Deutschland GmbH ./ Halston Properties, s.r.o. GmbH*

December 1, 2020

Amicus Brief (Third Party Observations) – International Trademark Association

The International Trademark Association (“**INTA**”) has prepared this brief in relation to case R 1304/2020-G, *Der Grüne Punkt Duales System Deutschland GmbH ./ Halston Properties, s.r.o. GmbH* pending before the Grand Board of Appeal of the European Union Intellectual Property Office (“**GBoA EUIPO**”).

Art 37 (6) of Commission Delegated Regulation (EU) 2018/625 of 5 March 2018 supplementing Regulation (EU) 2017/1001 of the European Parliament and of the Council on the European Union Trade Mark, and repealing Delegated Regulation (EU) 2017/1430 (“**EUTMDR**”) allows for intervention of interested groups or bodies in EUIPO appeal proceedings referred to the EUIPO Grand Board of Appeal.

A. About INTA

INTA is a global association of brand owners and professionals dedicated to supporting trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation. Members include nearly 6,500 organizations, representing more than 34,350 individuals (trademark owners, professionals, and academics) from 185 countries, who benefit from the Association’s global trademark resources, policy development, education and training, and international network. Founded in 1878, INTA is headquartered in New York City, with offices in Brussels, Santiago, Shanghai, Singapore, and Washington, D.C., and a representative in New Delhi. For more information, visit www.inta.org.

An important objective of INTA is to protect the interests of the public by the proper use of trademarks. In this regard, INTA strives to advance the development of trademark and related IP and unfair competition laws and treaties throughout the world, based on the global public interest in avoiding deception and confusion. INTA has been an official non-governmental observer to the World Intellectual Property Organization (“WIPO”) since 1979 and actively participates in all trademark related WIPO proposals. INTA has influenced WIPO trademark initiatives such as the Trademark Law Treaty, and also is active in other international arenas, including the Asia Pacific Economic Cooperation Forum (“APEC”), the Association of Southeast Asia Nations (“ASEAN”), the European Union (EU), and the World Trade

Organization (“WTO”).

The present brief was drafted by INTA independently of the parties in the case at issue.

B. INTA’s interest in the case

INTA is not a party in the case but believes that the case is significant to the development of trademark law and presents itself as an *amicus curiae* (“friend of the court”) in the matters raised therein, as it has done in the past (see **Annex A** listing previous amicus interventions by INTA before European courts).

Through its International Amicus Committee, INTA provides expertise concerning trademark and other IP-related laws to courts and trademark offices around the world through the submission of *amicus curiae* briefs or similar filings. Through these kinds of filings, INTA takes advantage of procedures that allow an independent third party to a proceeding to voluntarily offer an opinion on a legal matter, such as the proper interpretation or application of the law, or an explanation for why certain policies are superior.

The purpose of INTA’s intervention in such cases is to ensure that the court or tribunal is fully informed about the relevant issues that may impact the law in a given jurisdiction. Unlike the parties in litigations, who typically focus on the specific facts of a case and argue for a particular outcome, INTA plays a neutral role, addressing only the legal issues. INTA hereby acts in the interest of the represented manufacturers, producers, suppliers of services, traders or consumers, who are affected by the various issues of concern in this case regarding genuine use of, in particular, collective trademarks, and thus by the result of this case as required by Art 37 (6) EUTMDR.

INTA hopes that this submission may be of assistance to the GBoA.

C. Background and procedural overview

The matter concerns genuine use of a **collective trademark** and in particular of the European



Union figurative collective trademark , the so-called Green Dot (Der Grüne Punkt), of the German company Der Grüne Punkt - Duales System Deutschland GmbH (“**DGP**”), which is registered for a large variety of goods in classes 1 to 34 and services in classes 35, 39, 40 and 42, and used widely in European countries (e.g. from studies produced in the proceedings the mark enjoyed a 98% recognition in Germany and was used on 95% of packaging in France in 2010). The relationship between the owner of this trademark and the manufacturers and distributors which participate in its system is governed by an agreement under which the participant is authorized, in return for a fee, to affix the ‘Der Grüne Punkt’ logo to packaging included in the system (see also <https://www.pro-e.org/the-green-dot-trademark>).

INTA submits that a number of novel issues relating to genuine use in general, and to the function and genuine use of collective trademarks in particular, are presented by this case, for which guidance will be beneficial for the practice of trademark law.

It seems common ground in the GC and CJEU proceedings that use of the mark is perceived by the relevant public as indicating the fact that manufacturers and distributors of the goods covered are **affiliated with the common system of environmentally sound disposal established by DGP** and that that system enables the consumer, when purchasing those goods, to take the packaging waste to a local collection point for its disposal and recovery (see CJEU C-143/19 P, para 65).

The EUIPO Decision

In the first round of proceedings, the EUIPO Cancellation Division held that **genuine use had been proven only for the goods identified as packaging** (as listed in various classes) and therefore cancelled the mark for all other goods; EUIPO 5th BoA and GC (T-253/17) confirmed such decision. All instances mainly argued (for different reasons) that the trademark was used on packaging and this **did not constitute genuine use for the goods, contained in the packaging**. The GC, in particular, stated (para 45) regarding all of the contested goods, that even in case where the consumer's choice will be based on the quality of the packaging of the product concerned, the mark at issue creates or preserves an outlet in relation to other economic operators with identical offerings, only as regards the packaging and not the product concerned.

The CJEU Decision

By decision of December 12, 2019, in case C-143/19 P, the CJEU set aside the GC judgement and annulled the EUIPO 5th BoA decision. The main points of the CJEU Judgement are as follows.

- An EU **collective mark** is put to genuine use where it is used in accordance with its **essential function**, which is to distinguish the goods or services of members of the association which is the proprietor of the mark from those of other undertakings, in order to create or preserve an outlet for those goods or services (para 57).
- According to the CJEU it was for the GC to examine whether the use established in this case, namely the affixing of the mark at issue to the packaging of the food of undertaking affiliated with the DGP system is **viewed** in the economic sector concerned, as warranted to maintain or create a share in the market for the goods (para 67).
- The judgement under appeal is lacking the above examination, which should cover the nature of the concerned goods and the characteristic of the relevant markets. While the GC had admittedly found that consumers understand that the DGP system relates to local collection and recovery **of packaging** of goods and not to the collection or recovery of the **goods** themselves, it failed to go further and assess whether the indication to the consumer, at the time of the offer for sale of the products, that such a system of local collection and of environmentally sound disposal of the packaging waste is made available, appears, in the economic sectors concerned or in some of them, warranted to maintain or create a share in the market for the goods (para 68).
- The above assessment should be done by distinguishing different categories of goods in relation to their nature and the characteristics of the markets and determine for each category whether the use of the mark at issue is actually part of pursuing the objective of creating or maintaining a share in the market; in this regard, the Court clarified that there is no need to carry out this assessment with respect to each and every one of the long list of goods concerned (para 69).

- In particular for everyday consumer goods, such as food, beverages, personal care and housekeeping products, which are likely to generate packaging waste on a daily basis that the consumer must dispose of, **it cannot be ruled out** that the indication, by a manufacturer or a distributor of the packaging of goods of that type, of the affiliation with a local collection system and of environmentally sound disposal of packaging waste **may influence consumers' purchasing decisions** and, thus, contribute to the **maintenance or creation of a share in the market relating to those goods** (para 70).
- The GC erred by merely stating, generally and for all of the contested goods, that even though the consumer's choice is influenced by the quality of the packaging of the product concerned, the mark at issue creates or preserves an outlet in relation to other economic operators only as regards the packaging and not the product concerned (para 71).

D. Reasons why INTA is submitting this brief

The case presents the following 3 issues, which are of high importance for the trademark community and currently need clarification:

- Where a trademark indicates aspects regarding the disposal of the packaging of the marketed goods, is the trademark (only) **genuinely used for goods**, which are **packaging** (different types of packaging as indicated in classes 6 [metal], 16 [paper, cardboard], 20 [wood or plastics], etc) – as per the position taken by the EUIPO Cancellation Division and the GC? Or is the trademark genuinely used **for the various packaged goods**? The CJEU indicated that the latter option cannot be ruled out for certain categories of goods. In INTA's view this is correct. In addition to being in accordance with the **essential function** of collective marks, this use seems to be made on the market for the specific goods.
- Where the sign is used to distinguish the goods or services of the members of an association, but also a certain characteristic of the goods (here: where the manner of disposal is related to the disposal system put in place by the trademark owner and where the goods can be disposed in a certain way), in INTA's view, clarification that the functions of **collective** and **certification** trademarks can overlap is needed. This is even more true after the introduction of certification marks into EU trademark law, where the respective regulations of use require that the designated goods or services meet certain requirements set up by the association and thus, as a result, the trademark (also) certifies certain characteristics of the goods or services.
- In particular for the categories of collective and certification marks, the trademark may be intended to be used on a **large variety of goods or services**. In such case the usual standards for proof of use should be adequately adapted.

E. INTA's analysis

1. Genuine use for packaging vs. for the packaged goods

- INTA **fully agrees with the position taken by the CJEU** that a proper examination has to be made as to whether the affixing of the mark at issue to the packaging of the goods of undertakings affiliated with the DGP system is viewed, in the economic sector concerned,

as warranted to maintain or create a share in the market for the goods, considering also the nature of the goods concerned and the characteristics of the markets on which they are offered for sale (CJEU, paras 67-68). The CJEU noted that e.g. everyday consumer goods are likely to generate packaging waste on a daily basis that the consumer must dispose of and, therefore, it cannot be ruled out that the indication of the affiliation with a local collection system may influence consumers' purchasing decisions and, thus, contribute to the maintenance or creation of a share in the market relating to those goods (CJEU, para 70).

➤ INTA agrees that consumers base their choice to purchase goods / services on a number of criteria and that whether the packaging of the goods can be recycled or disposed in the context of system of environmentally sound disposal may be one of them. In INTA's view, **it is sufficient** that such a criterion may not *in abstracto* be precluded to be relevant for the consumer's choice to purchase the goods.

➤ Furthermore, INTA asserts that what the mark at issue conveys, as do all collective marks, is that the users of the mark belong to a scheme, maintained and regulated by the owner of the mark, and all adhere to the scheme's rules and regulations. Whether this is the intangible characteristic of environmentally sound conduct on the part of the undertaking or any other characteristic is irrelevant. What is important is that the message conveyed refers to the same, uniform characteristics and is the result of the adherence of the member of the scheme/licensee to the trademark owner's regulations of use of the trademark.

➤ On this basis, INTA believes that the GBoA should make a detailed assessment and find for genuine use in all cases where the trademark will allow the consumer to choose between *goods* originating from a company, which has a certain system in place allowing for disposal of the respective packaging, and *goods* originating from companies, which have other systems in place or do not provide for any system for disposal of the respective packaging.

➤ As indicated by the CJEU, this squarely seems to be the case for everyday consumer goods, but also for any other goods where it is relevant for the purchaser how to dispose of its packaging – which will be the case for virtually all packaged goods (at least where the packaging is typically disposed of sooner or later). To put this differently: the *consumer* choice relates to the goods at issue, which is what the consumer wants to buy, and not as such to the packaging – at the outset, the packaging is just a technical necessity, but the characteristics of the packaging may well be one of the aspects, which the consumer considers in its purchase decision, and therefore a trademark used to indicate whether the packaging qualifies for a certain disposal system is used on the market for the goods and not for the packaging. This has to be distinguished from the purchasing decision of the *producers* of such goods when it comes to the supply of the packaging to be used, where any trademark use is on the market for packaging (which is not at issue in the proceedings anymore).

➤ In the present case the rules for the use of the collective mark at issue provided that the collective mark was created “*to enable consumers and traders to recognise packaging which is covered by the Dual System and for which a contribution to the financing of the system has been made, as well as goods with such packaging, and to distinguish them from other packaging and products*” (Article 6 of the rules for the use of the mark). Namely the rules refer to the packaging as well as to the goods.

➤ In light of the above, the GBoA should assess, firstly, if consumers are likely to perceive the packaged goods as coming from a member of the association because the relevant packaging bears the collective mark at issue and, secondly, if this circumstance is capable of determining their purchasing choices with respect to said goods.

2. Overlap between collective and certification marks

- Following the CJEU's judgement in *Gözze* (C-689/15), there remains a high degree of uncertainty regarding “use as a label of quality” (the function of a certification mark) and “additionally and simultaneously” guaranteeing that the goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality (in case of an individual mark) or from undertakings which are affiliated with the association which is the proprietor of the mark (for a collective mark).
- INTA therefore believes that the Grand Board should clarify that in the case at hand the essential function of collective marks is met even though such use could additionally and simultaneously qualify for use according to the certification function of certification marks.
- Moreover, the Grand Board should in view of the recognized quality, communication and advertising functions for marks (CJEU C-487/07, *L’Oreal*, para 58; recently C-129/17, *Mitsubishi*, para 34) consider including also those in the assessment of genuine use for collective marks.

3. Evidence aspects

- This case provides an opportunity to clarify that strict adherence to established practice regarding proof of use may not be adequate in every case. In the case at hand, given that most goods come with packaging, use of the trademark may be intended for a **vast variety of goods**. This is a situation, which can arise particularly for collective and certification marks due to the functions of such trademark categories (indication of membership of trademark proprietor, characteristics of goods/services), which may relate to a multitude of goods of different origin. In addition, in the case of collective and certification marks, actual use will not be made by the trademark owner, but **by members of the association or licensees with the consent of the trademark owner**.
- It appears appropriate to allow for a finding of genuine use in particular on the basis of the scope of use provided for by the regulations of use of the mark *and* evidence that the trademark owner in fact addressed operators on the markets of such goods/services with the goal that such operators use the trademark on such markets. Such could be – as submitted by the trademark proprietor in the case at hand – license agreements for relevant territories, surveys relating to the recognition of the trademark on the market and samples of actual product packaging. It should be noted that such approach seems to have been followed also by EUIPO in the case at hand when accepting genuine use for different types of packaging.

F. Conclusion

INTA’s views on the case referred to the GBoA are as follows:

- In a case where a trademark indicates aspects regarding the disposal of the packaging of the marketed goods, the trademark can be **genuinely used for the various packaged goods**, because it will allow the consumer to choose between *goods* originating from a company, which – being part of the association that owns the trademark – has a certain system in place allowing for disposal of the packaging of the respective goods, and *goods* originating from companies, which – not being part of said association – have other systems in place or do not provide for any system for disposal of the packaging of the respective goods.
- Consumers may base their choice to purchase goods on such a characteristic, e.g. as in the case at issue, whether the packaging belongs to a system of environmentally sound

disposal. Such a criterion shall not *in abstracto* be precluded to be relevant for the consumer's choice to purchase the goods.

➤ The functions of **collective** and **certification** trademarks can overlap in cases where the regulations of use require that the designated goods or services meet certain requirements set up by the association. In that case, as a consequence, the trademark (also) certifies certain characteristics of the goods or services. Both categories of trademarks can therefore be genuinely used at the same time.

➤ Where the trademark may be intended to be used with respect to a **large variety of goods or services** (as is often the case for the categories of collective and certification marks), the standards for proof of use should be adequately applied (in particular evidence such as invoices or other evidence relating to specific goods/services actually sold on the market shall not be a necessary condition for proof of use in such cases). This can take into account the users of the trademark, members of the system of environmentally sound disposal established by the trademark, notably the extent to which such members join the scheme through license agreements with a view of being able to use the mark.

ANNEX A

INTA has filed the following *amicus*-type submissions in cases before European courts:

- Letter of submission to Novartis AG on September 28, 2020, in Joint Cases *Novartis AG v. Impexeco NV* and *C-254/20 Novartis AG v. PI Pharma NV* ([C-253/20 and C-254/20](#))
- Statement of Intervention on January 6, 2016, in the case *DHL Express (France) v EUIPO* ([T-142/15](#)).
- Statement of Intervention on April 25, 2014 in the case *Voss of Norway v OHIM* ([C-445/13 P](#)).
- Written Observations on March 16, 2010 in the case *Nokia Corporation v. Her Majesty's Commissioners of Revenue and Customs* (HMRC) ([C-495/09](#)).
- Letter of submission to Specsavers International Healthcare Limited on August 23, 2012 in the trademark case *Specsavers International Healthcare Limited & others vs Asda Stores Limited* ([C-252/12](#)).
- Letter of submission to Intel Corporation on September 5, 2007, in the trademark case *Intel Corporation v. CPM United Kingdom Ltd.* ([C-252/07](#)).
- Letter of submission to Adidas and adidas Benelux on June 12, 2007 in the trademark case *Adidas and adidas Benelux* ([C-102/07](#)).
- Letter of submission to SARL Céline on April 25, 2006 in the trademark case *SARL Céline v. SA Céline* ([C-17/06](#)).
- Submission as intervener to the English Court of Appeals on October 16, 2006 in the case *Special Effects v L'Oréal SA* (HC 05C012224, Court of Appeal 2006 0744).
- Letter of submission to Bovemij Verzekeringen N.V. on June 17, 2005 in the case *Bovemij Verzekeringen N. V. v. Benelux Merkenbureau* (ECJ - C-108/05).
- Letter of submission to Schering-Plough Ltd. on December 5, 2003 in the trademark case *Schering-Plough Ltd v. European Commission and EMEA* (CFI T-133/03).
- Letter of submission to Merck Inc. on April 4, 2003 in the trademark case *Paranova A/S v. Merck & Co., Inc, Merck, Sharp & Dohme B. V. and MSD (Norge) A/S* (EFTA Court E-3/02).
- Letter of submission to Praktiker Bau - und Heimwerkermarkte AG on March 20, 2003 in the trademark case *Praktiker Bau - und Heimwerkermarkte AG* (ECJ C- 418/02).
- Letter of submission to Shield Mark on November 1, 2001 in the trademark case *Shield Mark v. J. Kist* (ECJ C-283/01).
- Letter of submission to Libertel Groep B.V. on July 6, 2001 in the trademark case *Libertel Groep B.V. v. Benelux Merkenbureau* (ECJ - C- 104/01)
- Letter of submission to Glaxo Wellcome Limited on October 10, 2000 in the trademark case *Glaxo Wellcome Limited v. Dowelhurst Limited and Swingward Limited* (ECJ - C-143/00)