Decisions of the European Courts and our everyday practice

Richard Ashmead

Friday 22nd June 2012
Is there a Court of Justice overload?

<table>
<thead>
<tr>
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<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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<td>768</td>
<td>742</td>
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</table>
700 cases pa for 27 judges, but:

- Varying case and issue complexities
- Sitting as multiple-judge courts
- Administrative responsibilities
- Holidays, illness, conferences ...

.... and clearly getting worse
From the Court President:

“Nevertheless, this increase in the caseload demands a degree of vigilance ..... in order that the effectiveness of the EU’s judicial system is not jeopardised ....”

From the House of Lords:

“... another crisis of workload soon” and worry of “sclerosis in the delivery of justice”

... which looks like an overload to me
Are trade marks as a problem in that?

688 new CoJ cases in 2011:

1\textsuperscript{st} Taxation (85 cases - 13%)
2\textsuperscript{nd} Competition (60 cases - 9%)
3\textsuperscript{rd} IP (58 cases - 8%)

... in 39 categories of legal issues
• Economic, social and territorial cohesion
• Competition
• Financial provisions
• Company law
• Law governing the institutions
• Education, vocational training, youth and sport
• Environment
• Area of freedom, security and justice
• Taxation
• Freedom of establishment
• Free movement of capital
• Free movement of goods
• Freedom of movement for persons
• Freedom to provide services
• Public procurement
• Commercial policy
• Economic and monetary policy

• Common foreign and security policy
• Industrial policy
• Social policy
• Principles of European Union law
• Intellectual and industrial property
• Consumer protection
• Approximation of laws
• Public health
• Social security for migrant workers
• Tourism
• Transport
• Customs union and Common Customs Tariff
• Law governing the institutions
• Privileges and immunities
• Procedure
• Staff Regulations

• Agriculture
• State aid
• Citizenship of the Union
### 2011 new cases vs All cases vs TM cases

<table>
<thead>
<tr>
<th></th>
<th>2011 new cases</th>
<th>All cases</th>
<th>TM cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>References</td>
<td>61%</td>
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<td>29%</td>
</tr>
<tr>
<td>Appeals</td>
<td>24%</td>
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<td>67%</td>
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</tbody>
</table>

**New cases – Nature of proceedings (2007-11)**

- Direct actions
- Appeals
- Special forms of procedure
- Appeals concerning interim measures or interventions

**TM cases**

- References
- Appeals
- Direct
Conclusions so far:

- The CoJ is overburdened
- 8% of TM cases is more than a fair share
- There is an intriguing excess of TM appeals over references!
Why such heavy TM Court usage?

• Large numbers of CTMs
• Monopoly rights are innately adversarial
• TMs are claimed, not innate
• TMs are at the centre of trade world-wide
• A lot of lawyers relying on TM’s to feed their families!

..... or just too easy to get to the CoJ?
Trade Mark references are:

- In relatively modest numbers *cf.* appeals
- Have referring courts as “gate-keepers”
- Are necessary for harmonisation
- Do not burden the more troubled GC

*.... so concentrate on appeals*

<table>
<thead>
<tr>
<th>New cases in 2011</th>
<th>All cases</th>
<th>TM cases</th>
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<td>References</td>
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Is there an automatic right of appeal to CoJ?

Article 58 of CoJ statute:

An appeal to the Court of Justice shall be limited to points of law ...[including] grounds of
- lack of competence of the General Court,
- a breach of procedure before it
- infringement of Union law
...so does the CoJ use Article 58?

“The witnesses stated that while appeals were limited to points of law there was no ability for the CJ to refuse leave to appeal”

...but what then of Art.58 as a “Qualitative Gate” for CoJ appeals?
(1) Impressions of early CoJ TM case reviews:

– The reference cases had merit.
– Many “more-of-same” appeals
– Little attention to points of law
– Some signs recovery from earlier error(s)
– Invalidations are better formulated

... few appeals merit a “supreme” court
(2) **OHIM decision quality:**

- Laudably open on problems
- Making strenuous efforts to improve
- Parts of “Convergence Programme” targeting erroneous approaches
- Legal decision quality a new OHIM priority
“Ensuring greater legal certainty in OHIM decision-taking by abandoning legal formalism”

... by Rhys Morgan

“The President of OHIM has made legal certainty a priority, but he has inherited a legal practice based on legal formalism [or “mechanical reasoning’], which is characterized by rigidity, lack of sophistication, and unpredictability ...”
Composite marks sharing only a non-distinctive element:

[Classes 18 and 25]

.....GC found similarity despite acknowledged non-distinctiveness of ALPINE
(3) **Notable recent CoJ decisions?**

- 20 CoJ judgments in last 12 months
- I have reviewed 10 for this paper ...
- .... found none with widely applicable legal guidance for everyday practice
- The Court found all inadmissible (and others)...

.... *so, clearly, not points of law!*
**Dismissals under Article 58/Article 119:**

- C-100/11 P - Helena Rubinstein/ L’Oréal v. Allergen - BOTOLIST, BOTOCYL/BOTOX
- C-334/11 - Lancôme v. Focus Magazin – ACNO FOCUS/FOCUS
- C-87/11 Fidelio KG v OHIM – HALLUX
- C-406/11 Atlas Transport v Atlas Air – ATLAS
- C-191/11 Yorma’s v Norma - YORMA’S/NORMA, NORMA
- C-45/11 Deutsche Bahn AG v OHIM – Colour mark
- C-222/11 Longevity Health v. Performing Science - 5HTP
- C-76/11 Tresplain v Hoo Hing - Golden Elephant Brand/GOLDEN ELEPHANT
- C-88/11 - LG Electronics v. OHIM - KOMPRESSOR PLUS
Committee reported:

“Mr Jaeger reported that around 25–30% of General Court cases went to appeal, with around 5% overturned by the Court of Justice (so only less than 5% of appealable decisions were totally or partially annulled). In 2009, in 85% of all appeals, the decisions of the General Court were fully upheld by the Court of Justice”

No surprise then that CoJ judgments rarely offer legal guidance
Leave to appeal?

• The CoJ is using Art 58, but ...
• ..... as part of a full case review
• Should/could it us Art 58 as a preliminary issue, or ...
• ..... allow the GC a “leave to appeal” role?

...to make the CoJ a “supreme” court
Other sub-topics?

• Member state interventions
• Confidentiality of reference papers
• Access to CTM Court case decisions

….. IP TRANSLATOR
**Member state interventions:**

*The CoJ notifies cases to:*

- the Member States,
- the Commission, and
- any institution, body, office or agency of the Union which adopted the act the validity or interpretation of which is in dispute.

*... and gives them 2 months to file a full brief*
<table>
<thead>
<tr>
<th>Case</th>
<th>Document</th>
<th>Date</th>
<th>Name of parties</th>
<th>Observations filed by:</th>
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<tr>
<td>C-9/93</td>
<td>Judgment</td>
<td>22/06/1994</td>
<td>IHT Internationale Heiztechnik</td>
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<td>Judgment</td>
<td>14/12/2006</td>
<td>Nokia</td>
<td>FR EC</td>
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<td>C-328/06</td>
<td>Judgment</td>
<td>22/11/2007</td>
<td>Nieto Nuño</td>
<td>FR IT EC</td>
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<td>C-442/07</td>
<td>Judgment</td>
<td>09/12/2008</td>
<td>Verein Radetzky-Orden</td>
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<td>The Wellcome Foundation</td>
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<td>C-529/07</td>
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<td>11/06/2009</td>
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<td>L’Oréal and Others</td>
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<td><strong>C-307/10</strong></td>
<td><strong>Opinion</strong></td>
<td><strong>29/11/2011</strong></td>
<td><strong>The Chartered Institute of Patent Attorneys</strong></td>
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Why so few member state observations?

- Limited Governmental resources (financial and other)
- inter-governmental arrangements to avoid duplication
- The reference questions do not reflect local concerns.
- the EC will deal with them anyway

... mostly that 2 months is just not long enough for Governments to respond
Confidentiality of reference papers:

- CoJ treats case papers before it as confidential to the parties
- Numbers of member states, and the Commission, apply confidentiality to their own written observations
- Refusal of FoI requests

... and, worryingly, contempt of court?
Law-making without consultation?

“We, the government, have told the Court of Justice what we think the law should be, but we will not allow that information to be scrutinised publically”- Anon.
Access to CTM Court case decisions

• Article 100 CTMR requires a CTM Court to send OHIM CTM revocation/invalidity decisions.

• Do they? Consistently and reliably?

• ... and shouldn’t we know about infringement decisions too?

.... and where are they?
OHIM lists 600 CTM court judgments since 1999 with:

- 8 cases contributed by Dr. Jeremy Phillips for MARQUES
- 60 judgments taken from the DARTS database

.... and the provenance of the rest is not specified
**some personal thoughts**

| Tuesday 19/06/2012 15:00 | Judgment C-307/10 | Intellectual property
The Chartered Institute of Patent Attorneys
Court of Justice - Grand Chamber | EN |
Cause for disappointment?

• Not wholly well constructed but in practice a very good result to 5 years work.

• Three short observations for further debate around all our countries
Admissibility

• The Court addressed a formal request to declare the case inadmissible.
• Test case reflecting obvious and acute public interest.
• UK law allows those, and
• The Court reference questions enjoy a presumption of relevance
Multi-state legal conflicts

• No legal mechanism outside normal appeal, but ….

• A wealthy, altruistic, patient client or

• a neutral (professional?) body and a carefully constructed case in the public interest.
• Neither is good, so the EU system could do with a legal review system to use once conflicting legal views are officially adopted – perhaps by a mechanism to allow *eg* EU IPOs to ask member states’ courts directly to make a reference to the CoJ?
Alphabetical lists of goods

*Question:* “Is it necessary or permissible for such use of the general words of the Class Headings of [the Nice Classification] to be interpreted in accordance with Communication No 4/03 …?”

*Answer:* Depends on intention to cover all the goods or services included in the alphabetical list of that class *(a compilation of accepted terms to date).*
Alphabetical class lists not mentioned in:

- 4/03
- The Court’s pre-hearing questions
- At the hearing, or
- In the AG’s conclusions

….out of the blue then!
Alphabetical lists probably …

….. IPT- and TRT compliant as clear and precise as they stand, but …

Class 15

“Musical instruments” and a tick box claim to “The class 15 alphabetical list of goods”
Class headings post-IPT:

• “All goods in class XX” is not acceptable
• “[The class XX heading as a list]” acceptable if clear and precise as a list
• Some thought “[The class XX heading as a list]” meant “All goods in class XX”; under IPT it doesn’t
• Should they be compensated by “topping up”, by adding their “lost” coverage?
All goods in class XX = 100%

Class XX heading = 90%

The class XX alphabetical list = 85-95%
• Does OHIM have the power to broaden a granted IP right?
• Can it require other member states to follow its new policy?
• Do the member states have the power to broaden a granted IP right?
• Will this result in a harmonised EU legal treatment of “class headings”?
.... so thank you, most kindly, for your attention